



# PLAN FOR BRITAIN

A Collection of Essays prepared for  
the Fabian Society

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# PLAN FOR BRITAIN

## 1. PLAN FOR LIVING

*by G. D. H. COLE*

How do we want to live when this war is over? I fairly often ask that question of soldiers or airmen whom I happen to meet when they are on short leave, and sometimes of war workers who find themselves engaged on unfamiliar jobs, often under conditions of considerable discomfort in travelling to and from work, or in billets away from home. Almost invariably they answer in terms, not of their hopes of a new and better world after the war, but of a keen desire to get back to whatever they were doing before the needs of war forced them to start doing something different. I expect that, if a census were to be taken of the hopes of the temporaries in Government offices, or of the evacuated inhabitants of the hotels which advertise themselves as the best and safest retreats from the horrors of war, the result would be much the same. Most people are not looking forward with hopeful aspiration to a bravely different new world : much more they are hankering after the sort of world they used to live in, even if they did not think very much of it while they were left to live in it undisturbed. Even if they have in them the spark of idealism, and are ready to play their parts in making the world a better place than it used to be, they are still apt to keep their private and their public aspirations in separate compartments, so as to speak to you one minute about the new world they hope to see, and the next about how nice it will be to get back to their old jobs and their old homes, or

to something as like them as can be managed.

I am not suggesting that this attitude is universal, or that it ought to be taken wholly at its face value. There are, to begin with, important exceptions to it. Large groups of people who lived before the war in South Wales or some other depressed area are by no means wanting to go back to the ways of life to which perforce they became accustomed between the wars. They do not want to go back to being chronically unemployed, or to having the fear of unemployment continually before their eyes. Indeed, if they have one clear aspiration for the post-war period, it is that unemployment shall cease to be either an endemic or an epidemic disease of the body social, and that there shall be work for all as long as there are anywhere in the world real needs waiting to be met. That desire is not confined to the people of the depressed areas; for the pre-war fear of unemployment was spread over a far larger section of the population than endured the special experiences of living in an abnormally depressed district. A very large section of the whole working class has the clear war aim of getting unemployment abolished as a social problem, with the secondary aim of having a guarantee of social security in the form of a living income to fall back on should the promise of work fail to materialise after all.

Those, however, who have this war aim clear in their minds often envisage it as meaning a return to their old jobs and their old homes, or to jobs and homes very like them, with only the difference that these jobs and homes will have been made rather better and much more secure than theirs. They are hoping, to that extent, to live *better*; but they are not, in their imagination of the future, expecting to live very *differently*. They are not animated by any lively hope that life will take on an essentially new quality, or that the relation of man to man in society will be radical-

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any other than it has been in the recent past.

I hope no one will mistake what I am saying for a wholesale onslaught on the character of the British people. Emphatically, it is no such thing. The British people showed, in the critical days after the Dunkirk evacuation and during the *blitz* of the following months, and it is showing to-day, the most admirable qualities, not only of courage and endurance, but also of collective adaptability and of ability to face facts and deal with them in an effective way. The British people are excellent in an emergency, and remarkable in their democratic power of improvisation. They have, I think, no superiors in their quality of self-organisation when they are faced with a situation in which they have to act together, or fail. But, with these qualities, for which I have the highest admiration, they possess at present others which they are in danger of allowing to stultify their virtues. I cannot put the point more clearly in a phrase than by saying that they have forgotten how to think collectively in religious, without ever learning to think collectively in secular, terms. They have, in effect, failed to apply their political wisdom to contemporary problems; and the consequence is that it takes a great deal of a jolt to galvanise them into collective activity, and that, even when they are jolted, they deal very effectively with the immediate situation, but fail to look more than a little way ahead, and let their control slip as soon as a respite is allowed them.

Perhaps there is in this nothing to be surprised at; for men and women, save in their daydreams, are not usually very imaginative—and they are apt to be least so about themselves. Yet the phenomenon, even if it is not surprising, is in a way depressing; for it records the failure of Socialists to bring home to the minds even of the bulk of those who vote Labour at elections the realisation of

Socialism as a different way of life, and, even more signally, the failure of the vast practical example of the Soviet Union to impress itself on the mass imagination of the British people as having a bearing on the future quality of their own lives. There is, of course, a great deal of admiration for the Soviet Union's magnificent struggle against the Nazis; and it is often observed that the quality of Soviet resistance is intimately connected with the character of Soviet institutions and with the sense of having something worth while to defend that animates the Soviet peoples. But this tribute to Soviet Socialism fails to convert itself, in most men's minds, into a lively hope that a parallel change may take place here, or at any rate into a personal desire for a different way of living.

This, it may be said, is only a way of stating the evident fact that most people in Great Britain are not taking their politics very seriously, even when they have any politics to take. That, however, is a very significant fact; for assuredly we in this country have excellent reasons for being concerned about our collective future, and for setting to work to plan out for ourselves a new way of life. It is abundantly plain, to anyone who looks the truth in the face, that we have for a long time now been living on our past. So far from taking the lead in any new development in the arts of production or of social living, we have been gradually letting slip our hold on both. We have allowed our industries to pass more and more under the domination of combines whose one idea is to keep production within the limits of the existing market, and to assure profitability by getting State support or countenance for their restrictive schemes. Witness the record of shipbuilding, of steel, and of a dozen other important industries during the period between the wars. At the same time, we have manifestly lost our grip of the art of collective provision for

the good life of our citizens. We have built four million houses. But where and how, and with how colossal a disregard for providing those who dwell in them with even the basic conditions of satisfactory and responsible citizenship! We have spent money on doles and on social salvage; but with how startling a blindness to the degrading effects of condemning men and women to exist idle on pittance, instead of putting them to useful service, and endowing them with hope! We have allowed ourselves to accept perennial unemployment, life in formless urban agglomerations, bridge, golf and the "flicks" as the appointed gifts of the twentieth century, instead of setting ourselves manfully to use the victories of science as the means to new social adjustments or the enlargement of the opportunities for culture and fellowship as well as for the banishing of penury from our midst.

We have been able to do all this, and not to bring down vengeance upon our heads—as yet—only because of the great achievements which lie behind us. The Victorian age, blind as it was to many of the shapes of human suffering, was in its essential attitude forward-looking and, in all its key positions, an age of hope. It was a period during which, for almost everybody—even for those near the bottom of the social ladder—conditions, moral as well as material, were getting better. Nutrition, housing, education were all improving: death-rates, especially infant death-rates, were falling: the people were getting healthier, and, I fully believe, happier as well. This is enough to explain the absence of any widespread challenge to the foundations of the social system. There were always challengers, as there are in any age. But in practice most people were not ill-content as long as they could feel around them the living growth of better conditions.

No one who studies the history of the twentieth century

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can maintain that, as far as Great Britain is concerned, this atmosphere of hope has continued to exist. It is true enough that certain kinds of social reform have maintained, and even increased, their momentum. The social services have continued to expand ; but they have no longer rested on the same foundation of an assured expansion of the productive system. The increase in national output of wealth has been exceedingly meagre in relation to the advance of scientific knowledge. According to Colin Clark's well-known estimates, we were before the present war producing per head of occupied population only a very little more than in 1913, the increase of perhaps from 15 to 20 per cent. per employed worker having been nearly cancelled by the rise in unemployment and under-employment. Under these conditions, improved social services could be paid for only either by taxing the rich or by getting the money in one way or another out of the incomes of the employed poor—save to the extent to which the relative cheapening of imported foodstuffs and materials came to the rescue, as to a great extent it did. In effect, we managed to improve our total position, not by increasing our own productivity, but by getting better terms of exchange with the outside world ; and this was, it must be frankly admitted, a most unhealthy state of affairs for a country which ought to be leading the way in applying the latest knowledge and skill to the arts of production, instead of increasing its tribute from the less advanced parts of the economic world. Individual industries here and there can no doubt claim exemption from being included in this black record ; but the essential truth remains. Great Britain was no longer leading the world in the economic arts : it was lagging behind. And this lag was no less noticeable in the arts of humane living than in the sphere of material production.

Least of all countries in the world can Great Britain

afford to regard the end of the present war as an opportunity to pick up again the traditions of the recent past. Shorn of much of our power to import goods without paying for them with current exports, shorn of our imperial prestige and of many of our pre-war market connections, with our population older on the average than ever before in our history, and our national and local finances in chaos, faced with an unprecedented burden of internal debt and with the eggs of pre-war industry thoroughly scrambled by the requirements of war, we shall be able to go back to pre-war conditions only under circumstances immensely more unfavourable than those of the 'thirties. If we do attempt to go back, the sole prospect before us will be one of increasing penury and decay. True, a few powerfully entrenched vested interests may be well placed for making hay when no sun shines. But, if they are allowed to reap their harvest, there will be nothing left for the common man to glean.

That is why this pretended "national unity" is so fatally absurd as a basis for reconstruction. We are told that, while the war is unwon, we must do nothing that might disturb this unity; but it is abundantly plain that, if we are to escape disaster, the main lines of reconstruction must be laid down now, while the war is proceeding, and cannot be left over to be settled on the morrow of victory. Everyone admits this, in words; but a futile endeavour is being made to insist that reconstruction, as well as the waging of war, must be founded on principles of "national unity."

How can it be? I say nothing now of the impossibilities of waging total war in accord with this stultifying formula of unity. That is not my subject in this lecture. But I do say that, even if it were somehow possible to wage war effectively upon these terms, it would be a sheer impossibility so to prepare for peace. There is no hope before us of living after the war even as well as we have

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lived in the recent past by the methods we have accepted in that past. It is out of the question either to get back our pre-war export trade upon the old terms, or to regain the old ratios between import and export prices, or to resume our pre-war right to receive imports without paying for them, or to put back our war-diverted industries into their pre-war condition. It is out of the question to restore our pre-war financial system—to enable local authorities to meet necessary expenditures out of local rates, to balance the national budget along pre-war lines, or to go back to our old methods of providing for economic development on a basis of 5 per cent., or even 3 per cent., assured returns on invested capital. If we try to do any of these things, what awaits us is an ignominious breakdown of our financial affairs, and therewith an economic breakdown too, if we let finance rule production as we were allowing it in the depressing period between the wars.

If, however, we are to seek a new way of life, and not a return to the old ways, what in concrete terms are we to seek? We are rightly too disillusioned to believe that there is any magic remedy in substituting State management for private management of this or that particular industry. What is required of us is no mere change of administrative mechanism—though that may be required of us in a secondary sense—but a change of outlook. It is imperative for us to look forward, and not back, and to find for ourselves leaders who will look forward, and not back.

Let us put to ourselves, fairly and squarely, this plain proposition. There is no law of nature which makes Great Britain a place where between forty and fifty million persons can expect to live at standards of life much above those of the greater part of the world's population. Certain causes—call them historical accidents or the outcome of British

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enterprise and inventive genius, as you will—brought it about that this miracle did occur during the age which followed the Industrial Revolution. That, however, is no guarantee that the miracle will persist. It will persist only to the extent to which we, in the twentieth century, make it persist—not by seeking to live upon the fruits of past success, but by winning fresh victories in the perennial battle of mankind for mastery over nature and for social inventiveness in devising ways and means of harvesting the fruits of scientific advance. There is no reason why we should not continue to live well—very much better than we have ever lived; but we can hope to do so only as the reward of current deserving and not as *rentiers* of our ancestors' achievements.

What, then, have we to do in order to assure for ourselves the means of future prosperity? First of all, we have to take up a different attitude towards the human beings who make up the British people. We have to regard every single unit that goes to make up the British population as the repository of a human value which we cannot afford to waste. I do not mean only of a productive value—though that is a very important part of what we have to safeguard. I mean something much more fundamental—that we have to ask ourselves, of every child and of every grown-up too, What are you good for? What can you do, that is useful and worth doing? What can you be helped and fitted to be able to do, as a member of a democratic society upon all of whose members there should fall the duty of doing something useful, and also the right of being helped, to the fullest practicable extent, to do that something well.

This, I would have you note, is an idea very different from that which lays down that we must do all that is possible to help every child and every person to develop his or her individuality to the fullest extent. That is both an

essentially anti-socialist attitude, and one which has helped to bring us to our present pass. It has never, of course, been applied to the children of the poor : it costs too much. But it has been applied to an increasing extent to the children of the well-to-do, and especially of the "progressive" well-to-do, with, as I think, very bad effects. Of course, I want everyone to be given a chance of developing his or her personality. That is plain common sense. But the development of personality is one thing when it is regarded solely from the standpoint of the individual, and quite another when it is looked at from the standpoint of communal needs. It is necessary to develop personality or individuality, not in the abstract, but in relation to the needs of a particular society in which the individual is living—a society which requires from him the best contribution of which he is capable. This is the grain of sense which, mingled with much nonsense, is to be found in the much-criticised Reports on education recently issued by a Committee of the Conservative Party. The persons who drafted those Reports are, I think, in many respects exceedingly wrong-headed ; but they do regard the educational process as designed to help the individual to serve the State. The trouble is that the State they want the individual to serve is not *your* State, or *my* State, but *their* State ; and in *my* opinion a very nasty State it is. But I am quite sure they are right in envisaging education primarily as a process of preparation for social service, and not as a means of developing the private aptitudes of the individual in a social void.

I shall doubtless be told that what I am saying is sheer totalitarianism, and involves a denial alike of the liberal conceptions of democracy and of the liberal conceptions of culture. To a considerable extent, I hope it does. I am sick and tired of a liberal democracy which fails to work

democratically and breaks down in the hour of trial, and of a liberal culture which turns its back on the problems of present-day society and ends up in a *trahison des clercs*. This does not mean that I admire Hitlerism : far from it. But it does mean that I very much admire the constructive achievements of the Soviet Union, and believe that, in a sheerly realistic sense, the Russian peoples are a great deal more free than we are, or can be until we forsake our atomism, and set out to make a determined pursuit after collective, instead of merely individualistic, values.

Let me try to show you more plainly what I mean by carrying a little further this discussion about the purpose and content of education. I find among professed educationists a quite extraordinary tendency to arise and scream whenever it is suggested that a boy's or girl's education should do anything to make them better at doing or understanding the jobs at which they are likely to spend a large part of their lives. I can easily understand how they may be *provoked* into talking like this when they encounter equally pestilential employers who hate any education that goes outside the range of narrow vocational training for a particular specialised trade or craft. But foolish as that attitude is, even from the standpoint of the employers themselves, is it not even more foolish to ignore the fact that children learn most easily and effectively by learning to *do*, and that the best way into many a boy's or girl's intelligence is by linking what they are asked to learn with what they are expecting to practise? I am not pleading for trade education in the schools : on the contrary, I am strongly against it when it assumes a narrowly occupational form. What I am pleading for is a basic education closely related to the needs of the modern world, and adapted to preparing boys and girls, not for any particular job, but for the kind of lives they will actually have to lead, because of

the essential quality and character of modern ways of living, and for the *kinds of job*, as distinct from the particular jobs, they will actually be called upon to do. I get sick and tired of the perpetual pleadings for a "culture" which is not really a culture for to-day, but the relic of a dead culture in which Latin was the language of professional intercourse, and science, for most practical everyday purposes, did not exist. I get tired of the perpetual distinction between "cultural" and vocational or technical subjects—of which the outcome is not to improve the teaching of culture, but to ensure that scientific and technical subjects shall be taught in a thoroughly uncultural way, so that all too many of those who learn them emerge unable to express themselves in intelligible English, or to know the difference between good and bad in the writing and speaking of their own language. The truth—or at all events a very important part of the truth—is that there are no such things as "cultural" subjects and non-cultural subjects. There are cultural and uncultural ways of teaching all subjects; and the subjects which it is desirable to teach depend on the structure of the society in which men and women are to live, and on the things they are called upon to do. The culture which cannot justify itself upon this principle is not a culture that ought to enter into the basic system of education. It ought to be picked up by those who want it; and it can be so picked up provided that the basic subjects which can justify themselves on grounds of practical utility are taught in a cultural, and not in an uncultural, way.

Our educational system, then, must depend on the sort of men and women we need in order to get the work of society done well. What does that come to, in hard, practical terms? It comes to this. No one ought to be allowed to grow up in the world of to-day without some understand-

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ing of the principles of modern science, without an ability to perform elementary mathematical feats, or without a reasonable facility in both writing and speaking good English. Equally, no one ought to come out of school without having every opportunity of becoming tolerably "handy", so as to be able to do odd jobs about the home without botching them, and tolerably machine-minded, so as to be capable of doing a whack of productive work if the need arises. Thirdly, no one should come out of school without a fair working knowledge of the political, social and economic structure of contemporary society, as this structure affects men in the living of their daily lives, and in the maintenance (or, of course, the amendment) of the basic social institutions on which their daily lives depend. The rest—history, literature, the arts—should arise out of these basic studies, and should not be pursued independently of them, or apart from conceptions of current social purpose and meaning. Why should I want to learn the history of anything unless I am interested in the thing itself? Why should I want to study literature, until I have learnt practically the meaning and quality of language? Why should I want to study the arts, unless I do happen to want to study them through having a natural bent that way? And such a bent is much more likely to develop if the whole education has a basis of practical meaning and direction than if I am set to study certain things because it is supposed that I ought to become a cultured person, in some sense which has no apparent relevance to the problems and conditions of to-day.

In effect, we have to be practical people, attending to our collective business much more energetically than we have attended to it hitherto, and, if we wish to avoid totalitarianism, winning our freedom by mastering our environment and not by running away from it. I see our new pattern of

living as depending above all else on a determined and co-operative effort to make ourselves the real masters of our environment, and bending our energies, as never before, to the tasks of production and collective efficiency. The old order drove on the few by the stimulus of competition, and the many largely by fear. This passed, in process of time, into a transitional order in which, for the big producers, competition lost much of its impelling force, and combination replaced it as the salient characteristic of capitalist industry ; while, over the same period, the operation of the fear motive was simultaneously weakened in some respects by the growth of the social services and strengthened in others by the greater danger of unemployment, especially in certain of the older industries. The old order has ceased to work in the old way ; but it has not been replaced by any new order corresponding to the change in the envioning conditions. The consequence is that we get, on the one hand, a capitalism which has lost its expansive force and has become to an increasing extent restrictive and defeatist in its outlook on the problems of production ; while, on the other hand, labour has become restive under the influence of the economic defeatism of its employers, and less ready to go all out for high individual output when it sees limits set to collective output, not by the satisfaction of human needs, but by fears of glutting the market. To a certain extent, management also has become restive, especially during the war, and disposed to assert its claim as a third party, with an interest in efficiency and high production which clashes now with the restrictionism of big business, and now with the defensive measures of the workers against capitalist discipline. This emergence of management as a third claimant reproduces a tendency which made its appearance during the last war—only to disappear promptly at its end. I feel sure that it will disappear again if post-war

industry returns to the pre-war structure ; for management cannot in practice set itself up against its capitalist employers except at times when the State is taking a powerful hand in the direction of industrial policy. If, however, the State does remain active in this field after the war, management may well prove a factor to be reckoned with—the more so because of the very large adaptations which will have to be made in the structure of British industry in order to enable it to afford to the people an assured and improving standard of life. Under these conditions it will be imperative for Labour and management to come to terms—terms which will at the same time satisfy the claim of the more active workers for a real share in the control of industry, and allow management to pursue the policies necessary for fully efficient production without being held up by rigidities of Trade Union policy.

For adaptability of industry to changing needs involves adaptability in the labour structure. Trade Unions have had every right to insist on rules and regulations required to protect their members against exploitation in the interests of the owners of capital. They can have no right—nor I think will they claim any right—to insist on regulations which, by impeding the adaptation of the industrial structure, must react on the power of industry to meet its post-war problems and to supply the consumers, who include the Trade Unionists, with a satisfactory standard of living. My own belief is that a dangerous clash over this issue can be prevented only by drastic changes in the ownership and control of the basic industries and by a political change decisive enough plainly to shift the balance of economic and social power. Without such a change, it will be impossible to follow effectively a policy of high production and full employment, or to get rid either of capitalist restrictionism or of the Labour restrictionism which is the inevit-

able answer to it; and unless these positive and negative conditions of economic progress can be satisfied, there will be no way of resolving the differences between the attitudes of Labour and management, or of achieving forms of democratic industrial control which will follow up in peace the beginnings made in war by the institution of Joint Production Committees and similar bodies which imply at least a formal recognition of the claim for "workers' control".

I have stressed the economic conditions of the new plan for living which we have to work out, because unless these conditions are met it is not of much use to talk about anything besides. Even at those points where the economic and social aspects of the future run closest together, the narrowly economic side of the problem is of key importance. Take, for example, the problem of rebuilding Britain in a physical sense. A great many of us are at present busy, in our several spheres, making plans for the physical creation of a new country and of new towns which shall be fit homes—not for heroes (for we are weary of that hackneyed phrase), but for men and women living as we should wish them to live. We are planning for a revitalisation of agriculture, involving large-scale re-equipment of farms and villages with proper capital resources, from adequate water and power supplies to up-to-date farm buildings for every purpose and to a mechanical apparatus which will lighten appreciably the drudgery of field labour. We are planning for new and satellite towns, for well-designed Industrial Estates, for the thorough clearance and rebuilding of bombed areas (and of areas which, from a purely physical point of view, ought to be bombed); and we are proposing that these towns shall be built with a spaciousness and with a regard for the amenities as well as for the utilities of living, in strong contrast to our methods of housing and supplying the people right up to the outbreak of war. We are projecting

for green belts, national park lands, great holiday camps and school-camps, and so on, upon a scale worthy of a people which has solved the problems of sordid poverty, and is ripe for an advance from the art of mere living to the art of living well. We are laying great schemes for schools which will provide for all children on a generous scale hitherto reserved for a very few, and for making our schools, colleges and libraries and community buildings generally worthy features of the grand new plan of urban architecture and civic display. We are planning for all this, and for much more, on the assumption that we can afford it. But the basic question is, Can we afford it? and, if we can, under what circumstances can we afford it and what must we do in order to make these circumstances operative rather than others which will bring all our plans to naught?

The first thing that stands out plainly is that our ability to afford any of these good things for which we are planning depends absolutely on our not allowing any of our available resources to run to waste. This is true, not only in the sense that we shall need all our efficiency and all our adaptability to make for ourselves a place in the new world system, but also in the sense that at home there will be many claims upon our resources, and it will be impossible simultaneously to meet them all. We shall be called upon to decide what we want most urgently, among the many good things for which we are laying our plans. Moreover there will be, to some extent, a conflict between the call upon us to meet rapidly the most pressing needs and the call to act on long-term conceptions of what is best. To take an obvious example, there will be in the bombed areas a most pressing problem of immediate housing accommodation. But there is a danger that, if we set out to meet this need by running up houses as fast as possible, we shall both build very bad houses, which will degenerate speedily into slums, and build

them in such a way as to render impossible of realisation our dreams of beautiful and well-designed cities for the glorification of our new society. How, in this matter, are we to strike the right balance between speed and seemliness, or to avoid, in improvising solutions for immediately urgent difficulties, laying up for ourselves insoluble social problems for the not distant future?

It becomes very pertinent, at this point, to inquire "Who are *we*?" Who are, in effect, the persons I have been speaking of when I have said that "*we*" are planning for this or that on the morrow of the war? "*We*", who are doing this sort of planning, are, as I insisted at the very beginning of this lecture, in truth but few. Dreams of noble and beautiful cities, of a countryside redeemed from sordidness and devoted to production and amenity in the right blend and proportion, of national parks and green belts and community and civic centres, and the rest, are, we must admit, still the dreams of but a small minority of the people—of town-planners and visionaries of one sort or another, who issue their trumpet-calls one to another and meet in conferences of well-meaning and progressive organisations in order to assert their enthusiasms, but fall a long way short of having got their message across to the ordinary man. The ordinary man or woman, where he or she is thinking at all about the shape of the post-war world, is inevitably thinking much more in terms of personal income and security than of social amenities, even if in truth these amenities are no less important contributions to the quality of human living. It is essential for those of us who are more free, from one cause or another, to recognise the value of beauty and amenity and good order in the collective environment to recognise this fact, and in doing so to recognise that our cultural values will stand little chance of realisation unless we can satisfy the primary needs of living in a gener-

bus measure.

This brings me back to the central problem of what the economists call "full employment"—by which I mean a state of things in which, even if there are still some people out of work, there are always more jobs looking for people than people looking for jobs: so that the practical limit to production is set by shortage of suitable man-power and not by something quite different, such as the prospect of profit or the readiness of the financial system to grease the wheels. A condition of "full employment", in this sense, is a precondition of success in planning for a new social order. Men will stand a great deal of waiting for what they want, and will be prepared to take relatively long views, if they are not compelled to wait in idleness and insecurity, irritated by the consciousness that their having to wait is the result, not of the sheer impossibility of doing everything at once, but of some irrational "stop" in the economic system.

If, however, we are to have "full employment", we must be prepared to take the measures which are necessary for its maintenance. What, then, does a policy of "full employment" involve? Let me try to set out, not all that it involves, but a few things that are of basic importance in relation to it. First, it involves that the wheels of industry shall not be prevented from turning for lack of financial grease. Accordingly, the State which sets out to guarantee full employment must have complete control over the money machine. It must make sure both that there is enough credit to set everyone to work, and that there is enough actual investment in real capital to provide everyone with the right tools. This requires public control over the direction of credit and investment, as well as over the total amount. Secondly, the policy of full employment requires that the available capital instruments of production shall be fully used, and that no one shall be allowed to under-use them

because he sees his prospect of maximum profit in producing less than people want. This involves making short work of monopolistic combinations which exist for restrictive purposes; and, as "trust-busting" has been uniformly unsuccessful when it has taken the form of trying to break up large combines which capitalists wish to form, we may say further that it involves not merely the control of present monopolies, but their extinction by taking them into public hands.

Thirdly, "full employment" means that the economic system must be highly adaptable to changing needs. It seems likely that for a number of years after the war, we shall need to devote a large proportion of our available man-power to house-building and to other branches of the constructional industries. But, in proportion as we master our problem of rebuilding town and country, other needs are likely to become more urgent; and the necessity will arise of devoting a part of the resources previously applied to building to other uses which will yield, in the changed situation, a higher return in human satisfactions. As this stage is reached, we shall have to be ready to shift over as quickly as possible to alternative uses the resources which it will have become uneconomic for the time being to employ any longer in the constructional industries; and such shifts will require both planned measures for influencing the flow of new recruits into this and that industry, and also probably measures of re-training for alternative occupations of persons whose labour as builders will no longer be in social demand.

This is an obvious instance; but it does not stand alone. Measures for the re-direction and re-training of labour for alternative occupations may be desirable not only on account of shifts in the relative urgency of domestic social needs and demands, but also of changes in the world economy.

situation. If it becomes more economical to produce in some foreign country a thing we have hitherto produced for ourselves, and to produce instead in our own country something that we can directly or indirectly exchange for it, we must be ready to make the shift—no longer, I hope, under the blind pressure of competitive forces, but by agreement, as part of a planned system of organised international exchanges designed to maximise total welfare.

This adaptability, and a readiness to adapt production and exchange to alterations in demand and in the relative advantages of production in different areas, is precisely the quality in which the capitalist system has grown less and less adept as the scale of output has increased, and as the vested interest behind each existing industry has become more powerful. Labour, as well as capital, can constitute a vested interest of this kind, and will remain under a powerful temptation to act in the spirit of vested interest as long as the prospect of change offers itself in the form of a threat of unemployment. If the prospect were one not of unemployment, but of speedy transference to an alternative occupation, with assured maintenance at a reasonable level during any necessary period of re-training, the vested interest element in craft unionism would be very much weakened, and could easily be made almost to disappear. It is vital that it should disappear, if Trade Unionism is to play the part which it ought to play in the creation of the new society, and in the control of the new institutions needed for maintaining it.

This raises big questions about the future of craftsmanship. It is often said that the advance of machinery is progressively destroying the status of the craftsman, and reducing all labour to a common level of attendance upon the machine. I believe this opinion to be incorrect. It is true enough that the advance of mass-production reduces the proportion of skilled workers in the composition of the total

labour force, and also reduces the proportion of entirely unskilled workers at the other end of the scale, increasing as against these two groups the proportion of workers from whom is required, not a specialised skill, but a generalised machine-mindedness and an operative dexterity which, in connection with any particular operation, can be fairly quickly acquired. What is often forgotten is that, as the proportion of skilled men sinks, the degree of skill required of them usually rises, and also that the mass-production methods to which these conditions apply cover only a part of the field industry, and that often, in connection with them, the need for skill increases in auxiliary processes of the making of machines and components, in maintenance and repair, and in the continued development of new industries which have to be ripened by skilled labour before they can be brought on to the mass-production stage. I very much doubt whether, on balance, the change is unfavourable to the skilled workers—though of course it is to particular groups—and I am disposed to suggest that rising standards of production and consumption, bringing more diversified demands into play, would definitely favour the skilled workers, at any rate for a long time to come.

In accordance with this belief, I hold that it is desirable to expand greatly our provision for technical education, but at the same time to broaden out our conceptions of it, so as to make its products more adaptable to the continually changing demands of the economic order. I look forward to the time when it will be common for men--and for women--to have learnt more than one trade, and to be able to shift, not only in response to changing demands, but also in order to avoid staleness and ensure variety in the practical part of serving the community as productive agents. I believe this sort of adaptability, even if by no means everyone takes advantage of it, to be good for happiness and good

for the stimulation of the creative spirit in men. I want people to shift around, not only in order that they may not be condemned by their early training to spend their lives as square pegs in round holes, but also because a man who can do two things is much more likely to make a job of doing a third, if the needs of society so change as to require from him a new form of service.

I have said nothing, so far, of the future of politics, or of democracy. We are all, I suppose, nowadays in a condition of considerable disquietude about the working of our political institutions, and about their future. Let me recite my own causes of unhappiness about these things, first of all in a superficial way, as they strike the observer and the participant alike in the course of our everyday affairs. First, I am worried about the calibre of Parliament, and not merely this worn-out Parliament, but any recent Parliament. Secondly, I am worried about the calibre of Ministers and of potential Ministers sitting on the Opposition Front Bench. Thirdly, I am worried about the relations between Ministers and Civil Servants, whose power is unduly swollen by ministerial lack of knowledge, constant chopping and changing of Ministers from one department to another, and weakness of parliamentary criticism. Fourthly, I am worried about the Civil Service itself—its department-mindedness, its devotion to routine, and the lack of fit between a Civil Service system worked out long ago and a sphere of Government activity which has been immensely widened and altered in its essential character, especially on the economic side. Fifthly, I am worried about the political parties, which are losing such grip as they had on the electorate, not to rival leaders capable of forming new powerful parties, but in the main to nobody at all. Sixthly, I am worried about Local Government, which possesses a structure quite out of harmony with the needs of many of the services it has to administer, and

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falls between two stools, with units of election and administration too big for the expression of the democratic spirit of neighbourhood and too small for the coherent management or planning of the affairs of great modern urban agglomerations. Seventhly, I am worried about the electorate, most of which is not interested in politics, either local or national, and, though it may hate Hitler, hates him rather as a disturber of its own peace than as the enemy of freedom and democracy—words to which it has largely ceased to attach any real meaning.

This is a comprehensive grumble, and it would not be worth making unless some cause could be indicated for the simultaneous presence of so many weak spots. What, then, is the cause? It lies, I believe, fundamentally in the out-running by technical development of the forces of planned social control. We are still trying to work our twentieth-century society, with its mass-structure of industries, towns, communications, and educational provisions, by the instrumentality of a political structure devised to deal with an essentially different environment and with far narrower duties. The result is that Parliament cannot possibly pass reasoned judgment on the mass of legislation with which it is compelled to deal, or keep any real watch over the administration of this complicated mass. Ministers, especially if they shift round continually in accordance with hierarchical ideas of Cabinet government, can get no grip of the affairs of the departments over which they preside. High Civil Servants, who have this grip of the machine, oppose anything which will shake their power by altering its mechanism, and adopt purely departmental views because departure from the established routine means ministerial interference, which they are apt to identify with bungling. Political parties, conscious of the ground quaking under their own feet, become profoundly conservative of their own tradi-

tional policies, and acutely mistrustful of any originative impulses that may arise within their own ranks, because they fear such impulses as threats to the stability of established party alignments. This party-conservatism destroys the interest of party appeals, and drives into political cynicism many of those who might bring new life into party affairs. The same things happen in the sphere of Local Government, aggravated by the absurdity of living cities divided for administration into meaningless fragments. The suburbanite, the typical man of to-day, has no real local community of a rounded shape to which he can own allegiance. He is utterly apathetic as a rule about local politics, and this apathy aggravates the decline of national political interest.

All these signs and portents suggest to me that those who include in their pattern for collective living after the war the persistence of the existing machinery of politics, unchanged in all essentials, and claim that in doing this they are the champions of democracy against totalitarianism, are behaving in a thoroughly obscurantist manner. Institutions, whatever their form, are not democratic unless they work democratically, so as to confer upon the people the substance as well as the show of power. An institution, as much as any other instrument, must be adapted to its purpose in order to work well; and there is at any rate enough superficial evidence to show that the instruments of such democracy as we possess are not well adapted to be used as the instruments of democratic power. In our new plan for living we must include the project of a new set of political as well as of economic institutions, adjusted to the needs of to-day and to-morrow. But of what sort are these instruments to be, if they are to be weapons in the hand of democracy, and not of its enemies? They must clearly fulfil certain conditions, among which I should put foremost the need for them to be capable of evoking and sustaining the

political interest of a high proportion of ordinary men and women, and therewith of throwing up leaders out of the body of the people.

It is precisely at this point that I believe the centralising and bureaucratic tendency of modern government to be dangerously at fault. Carried to its logical end, this tendency culminates in complete authoritarianism, as it is found in the example of the German totalitarian State. Adaptability is secured in such a system by the unrestrained power of the State's head to reshape any piece of its working machinery at will; and the result is formidable. It is efficient evil, incarnate in the great Leviathan. In contrast to this evil success, the State which centralises its administrative machinery without a corresponding centralisation of motive power in someone's personal will flounders, and descends into an undirected bureaucracy. The will of the people is sapped, and no undemocratic will is put in its place. There is no driving power beyond that of routine, and no purposeful adaptability to changing needs and conditions.

Does this mean that, in a world in which problems have to be handled on a vast scale, there is no alternative to totalitarian authority? It means nothing of the sort. It means that democracy must be equipped with the appropriate instruments of direct action over a wide field. This, however, can happen only to the extent to which democracy becomes functional, and is applied to the control of the working parts which make up the society as a whole. The first requirement in this connection is that the units of popular authority shall be small enough for ordinary men to manage, however vast may be the whole in which they have to be integrated. It means, for example, that local government must rest upon small and manageable cells of real neighbourhood organisation, however big the cities of which these neighbourhoods are the atoms. City govern-

ment under modern conditions, cannot be democratic unless it rests on a foundation of democratic self-government of neighbours street by street, block by block, estate by estate, with a constant and real contact between the members of the neighbourhood group and those who represent it upon the larger civic authority. Nor must these smaller groups be mere electoral units : they must be democratic agencies for the direct communal administration of their little collective affairs.

Nor is this by any means the whole of the matter. Local self-government of the small group in its own collective affairs, and the building up of the government over larger areas on this basis of localised responsibility, is only one aspect of what is needed. Local self-government is one aspect of functional self-government, important but not covering the entire field. Localism of this sort has no meaning in relation to large part of modern industry. In this field, of mass-industrial organisation, the unit is not the locality of residence, but the workshop which is a cell within the factory, which again may be a cell within a larger integrated unit of production. Here again, in the field of industry, democracy can be real only to the extent to which it is based upon the self-government of the small group, the workshop, in its own special concerns.

To a very limited degree, the recognition of this necessity has been forced by war conditions even upon the controllers of our highly undemocratic industrial system. Joint Production Committees, Joint Pit Committees, and the like have emerged as the *sine qua non* of enlisting the collective effort of the workers on the side of productive efficiency. There have been, inevitably, many flaws in the working of this new kind of machinery, alien as it is to the traditions of industrial autocracy upon which it has been superimposed. Many managements try to work it only in a spirit

of truculent disbelief ; and many workers enter into it only with feelings of hardly less sceptical truculence. It is, on any logical view, sheerly incompatible with the theory that all power in industry must descend by delegation from directors appointed by the shareholders to managers appointed by the directors, and that mere workmen can have no claim to any share in "managerial functions". It is, in effect, the thin end of the wedge of an industrial democracy which is the more disliked because it is a challenge not only to capitalism but to the entire conception of economic regimentation—to State Socialism and to technocracy as much as to a centralisation of authority based on the power of private ownership.

The contradictions inherent in this clash of systems are inescapable. But, if we mean to achieve democracy, and not centralised dictation, they have to be faced, at whatever cost in temporary difficulty to those who have actually to manage industrial enterprises. The manager, poised between directors, who can sack him, or at any rate can hold over his head the threat of the sack after the war, and an unruly Production Committee or Shop Stewards' Committee which, under the Essential Works Order, he is powerless to sack or discipline now, has an awkward problem to face ; and it is easy to sympathise with him in his difficulties. He is in truth poised between *three* authorities and not two—the firm which employs him, the State which dictates what he is to produce, and the workers whom, under present conditions, he dare not drive and must therefore attempt to lead. In the long run, it is impossible for these three masters all to be served ; but the manager does not know yet which of them is destined to give way. Most managers, having been hitherto the servants of capitalism, are disposed to regard both the State and the workers as interlopers, and to continue thinking of their jobs as most

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likely in the long run to depend on the favour of their capitalist masters. The State, to which their masters as well as themselves owe in war-time some patriotic allegiance, comes second in their estimation, and the workers come in a bad third. If, however, we are to think in terms of functional democracy, it is plain that this scale of preferences is all wrong. In these alternative terms the State must come first, as determining on behalf of the mass-consumers the ends to which productive enterprise is to be addressed. The means to these ends are primarily a matter for the producers—including both the managers themselves and the technical staffs attached to management and also the general body of workers. The capitalist owners come in nowhere; for they have, in terms of democracy, no functional relation to either ends or means, beyond the limited extent to which, in large enterprise, they are managers as well as owners.

In terms of functional democracy, management, technicians and workers rank as an integral group representing the response to consumers' demand—what economists call the "supply side". Management has to come to terms with labour as a co-operating partner and not a hostile force. Industry has to become a functional partnership, not between Capital and Labour, but between the producers as an integrated group and the State. To restate the problem of "workers' control" in this way is not, of course, to solve it; but the effect is to make the problem wholly different. The manager in industry is to the labourer as the Government or municipal official is to the people. The Production Committee is his City or County Council, or his Parliament. He has to come with it to terms which will allow him to get on with *his* job in accordance with *its* will. This is, I admit, an over-simplification; but I think it illuminates the real character of the problem of industrial democracy.

Those of my hearers whose memory goes back a gener-

ation have probably for some time been saying to themselves, with approval or disapproval, "Why, this man is talking the old Guild Socialist stuff." So I am : so I mean to be ; for I remain, through all the permutations of fashionable democratic practice and theory, an unrepentant Guild Socialist. I am as assured as ever I was that the quest for political democracy is vain unless, in seeking it, we seek it functionally, and seek it therefore in industry as well as in politics, and indeed in industry primarily because there we are brought most sharply up against undemocracy. I am confident too that the key to this achievement of functional democracy in the economic sphere lies in a new conception of management as fraternal leadership and not as plutocratic delegation. The manager cannot come to the right terms with labour unless he can shake himself ideologically free from the conception of himself as the palace eunuch of his capitalist Sultan, deputed to keep the harem in good order for his master's service. Eunuchs are an uncreative lot ; and the task before us is essentially one of bringing a new order to birth. Let managers behave as men—men who believe in democracy—and not as eunuchs, and we can begin shaping the new order with their creative help. As long as they are merely bandying fair words perforce with Production Committees they hope to get rid of as soon as the war is over, there is nothing useful to be said to them ; for it is with their principals, and not with them, that democracy has to deal.

In my plan for living, then, both local and industrial democracy play a vital part ; and I am insistent on the need, in both spheres, for small units as the primary cells of self-government, to deal with small collective affairs and also to play their part as groups in the shaping of larger affairs. I have posed this problem, in another connection as the problem of democracy "face to face with hugeness"

and I am sure this way of regarding it is the most fruitful. In many of my fellow-Socialists I find a curious blindness to this human aspect of the problem of Socialist democracy, and an equal blindness to the underlying reality of what is happening in the Soviet Union. I find in them a curious disregard, at times, of the need to accommodate democracy to the competence and understanding of the ordinary citizen, and a readiness to mistake the processes of universal suffrage for those of democracy, in despite of Hitler's impressive demonstration (following upon those of Napoleon III and of many others) that universal suffrage may easily be the instrument of totalitarian dictatorship. I find also, in these same obtusely formalist democrats, a stupid failure to recognise in the Soviet Union a community struggling out of a past of feudal autocracy and through the hard exigencies of revolutionary construction towards a functional democracy much more real than any which we possess in this country or, as far as I am able to see, are trying to possess. For—let me come back in conclusion to my fundamental argument—the quintessential problem of the twentieth century is to find ways of reconciling the real democracy, which we have been striving after, but have never won, with the technical requirements of large-scale organisation and full use of the victories of science to enlarge the standards of consumption and enjoyment for all the peoples. We can design the pattern of living appropriate to these needs only in terms of functional democracy, which involves a discovery and a definition of the things that men can do for themselves in small groups based on neighbourhood or common service and an integration of the functions of these groups with the wider mass-activities of society in both the political and the economic spheres.

Have I given you, in what I have been saying, any sort of pattern that will help you towards devising a plan for

living in the new world after the war? That my message has been clear I do not venture to hope; for the waters are troubled, and no clear reflection of the idea can be seen in them as yet. But hints and hopes I dare venture to aspire to give you—at the least the hopeful warning not to let your minds be shut up within the programmes of existing parties or the preconceptions of any group with which you are connected. We are all wrong—all of us who let old loyalties stand in the way of objective examination both of what we really want and of what we can hope to achieve in face of the inescapable realities of our own time. My last word to you is—Don't give a damn for anybody, however important he may be; and, least of all, give a damn for your own trail of acquired loyalties and preconceptions. Think, think, think. Grope for contacts with others who are thinking themselves free of futilities and party lumber; and, as you think, act and try out your thinking, even if you are conscious of its lack of finality. For there is no way of finding out what you believe, except by acting on what you half-think you believe. That is the philosophy of revolution: all else is sterility, where it is not blank reaction. And, finally, if I may address you for a moment as if you, my audience, personified the progressive forces of British democracy, do try, do please try, not to go, on being such mugs.

## 2. PLAN FOR WORK

by ANEURIN BEVAN, M.P.

When I was first asked whether I would deliver this lecture this afternoon, I was diffident about accepting the invitation, because, in the first place, I felt that, leading

2 somewhat busy and contentious public life did not give me enough time to acquaint myself with what has been written on this subject of economic planning. Certainly not sufficient time to read all the reports that have been issued from time to time by various authorities and otherwise on post-war reconstruction. However, I seized the opportunity because it does give me the chance of saying a word or two which, I hope, before I sit down, you will think of some value.

In the first place, I believe that there is far too great a tendency in the Labour movement to speculate almost exclusively upon the post-war situation. I am one of those who believe that this war is not going to end in a nice tidy Peace Treaty. There will not be a day when you will be able to say, "The war is over and peace has begun." I believe in the statement that this is not so much a war as a revolution, and that that conclusion ought to be a principle of action.

Of course, it is agreeable to think about the post-war world as a time in which we are going to do what we want to do. It is always much nicer to think of doing things in the future than to face the disagreeable necessity of doing them now; but the nature and structure of the post-war world is being determined by what we are doing whilst the war is on. The kind of industrial controls, the forms of political organisation, the relationship between different classes in the community, the texture of all these is being determined by how we are conducting the war and the means with which we are doing it. Therefore, I believe, that we ought to consider the post-war world and our planning in terms of political action, not only in the post-war world, but now.

I know there are some who say, "Ah, for the brave music of a distant drum." They are always ready to fight far-off battles, and leave the battle which ought to be fought

now for somebody else to fight later on. Now, if we are to face this problem of planning our economy fearlessly, we should have, I think, to bear in mind two central principles. Whatever plan Socialists have for society must accord with those two principles. We seek to obtain the advantages of economic planning in society, and at the same time to retain the benefits of individual liberty and representative democracy. Any system which is agreeable to a Socialist must satisfy those two conditions. I would like to say a word first about the preservation of individual liberty and representative institutions.

The Chairman as well as myself is a member of the House of Commons. I have witnessed, and I am sure he will agree with me here, for the last ten to fifteen years a progressive deterioration not only in the personnel of the House of Commons but in the relationship between the House of Commons and industry generally. The forms of industrial control which developed before the war, the relationship between the great Trade Unions and the great employers' organisations, had reached the point, which has been intensified during the war, of reducing the House of Commons to a marionette puppet show. Things are fixed up behind the scenes, and then the House of Commons is called in to endorse the decisions already reached, and for that situation the great Trade Unions are as much responsible as other vested interests. After having reduced us to the status of marionettes, some Trade Union leaders then complain that on certain historic occasions we seem to have lost the capacity for self-motivation.

You have got in Great Britain to-day, and, of course, in every highly industrialised community, a progressive enfranchisement of corporations, and a progressive disenfranchisement of individual men and women; indeed, some of the great Trade Unions and their leadership have

long ago dropped the method of agitation and popular education for wire-pulling and work behind the scenes. Our leaders are no longer agitators; they are courtiers.

Under these influences Parliamentary government and representative institutions are falling in the esteem of the masses of the people, and when they fall far enough, when the progressive denigration of representative institutions has gone far enough, it takes very little indeed for a Fascist *coup d'etat* to push them over. Therefore, in the very foreground of any plan for a Socialist society must be a status for and a sovereignty of popular control.

It seems to me that one of the reasons why Fascism came to France and to Germany was because this was not recognised. If people are given power without check, i.e. if those who exercise power in the State are not continually subject to the checks and restraints of popular opinion and of organised representative institutions, nothing can prevent that State from becoming tyrannical; because it is the right of the ordinary man or woman to pull at the coat-tails of those in power to exert their influence over them, for this is the guarantee that the resources of the community will be used for welfare and not warfare.

If we therefore take it for granted that the preservation of representative government is a necessary condition for a Socialist society, certain conclusions follow; that if the economic activities of society change, if alterations occur in the relationships between classes in the community, if economic functions undergo revolutionary transformations, then there must be constitutional adaptation to those conditions.

That is to say, your representative institutions or political constitution must recognise the changes that have occurred in underlying economic reality; otherwise your constitution becomes increasingly unreal and out of touch with what is happening, and as they become unreal, they are

no longer regarded as the champions of the people and they fall into progressive decay.

In this country, at the present time, you have got the House of Commons with responsibility but without power, and in private industry you have power without responsibility. The vast industrial corporations are no longer managed even by their ordinary shareholders. In fact, the ordinary shareholder is just a stooge. The great corporations are managed by self-elected Boards of Directors, subject to no one at all, who meet behind closed doors, with no criteria of public good to influence their decisions; there they decide the prices of their products without any consultation whatsoever with representative persons. And the Trade Unions, many of them, enter—I do not want to use inflammatory Keltic adjectives—but the Trade Unions sometimes enter into a tacit conspiracy with those industrial corporations, so that you have got the worst forms of Syndicalism. The price of coal is adjusted by private conference; the price of steel too—and that is not a pure war condition that was a pre-war condition. The price of a large number of commodities is decided in that way; certainly this is so in a good many of our transport organisations. Therefore if you allow such industrial changes, you must consider what constitutional changes should follow.

I want to spur, as I have said, representative institutions to a new vitality. How are we going to do it? We Socialists have for over a hundred years stood for the nationalisation of the means of production, distribution and exchange; but, we may as well confess it, those ancient slogans no longer ring a bell.

The reason why they do not is this: people are appalled at the notion of taking complicated industries and putting them under the management and control of a moribund bureaucracy. Although the Civil Service is an estimable

organisation and contains men and women of great merit and public spirit, no one can suggest that the slogan of handing over great industries to the Civil Service of this country would fill anybody with revolutionary zeal.

So we have to consider first, is the nationalisation of certain basic industries necessary? I at once conclude that it is. Because of the fact that the handing over of our basic industries to the bureaucracy frightens people, there are many people who say, "Oh, it is no longer now necessary for the community to own these great economic activities." That is a false conclusion. You cannot ultimately have control without ownership. People deceive themselves when they think otherwise, because the forms of control will be exercised by institutions without any reality behind them. Therefore, if you are going to organise society in accordance with some intelligible plan, you must have the instruments of economic activity in your hands. But those instruments must be subject to forms of administration and control which are confessedly different from those which now exist.

I therefore suggest, as the first condition of this economic reconstruction, that all the basic industries in society—light, power, production of steel up to semi-finished forms, shipbuilding, coal-mining—all those economic instruments must become national property. And they must become national property fairly quickly. If they are not made national property during the war, they will not be made national property after the war without a very bloody revolution.

Go on a bus, go on the tubes, go on the Metropolitan Railway, and you will find girls and men, whom Ernie Bevin wants badly, punching tickets. Go all over Great Britain and see the transport services conveying workers to and from war work. You will find thousands of men and women whose sole function it is to collect money from those

who have to travel. If our economy were organised sanely inside our great cities and to and from war work no charges of any sort would be made. The transport of the people within our great cities and to and from war work is an essential social service that ought to have been taken out of the sale system long ago.

I was not in France during the last war. I was too young—and reluctant—but I understand from those who were there, that for a very long distance behind the line, no charge was made for transport. We have been in the front line for three years, and yet able-bodied men and women are still collecting money and punching tickets for the London Passenger Traffic. That is not an intelligent state of affairs at all. I merely use that in passing as an illustration, because I must rush on.

Consequently those main economic instruments must be taken out of private hands.

But, having taken them out of private hands, to what forms of administrative control do we then propose to entrust them? I suggest the establishment in Great Britain of a Supreme Economic Council, consisting of a number of able men, who would have complete charge and would be responsible to the Government for the day-to-day administration of these different industries, and who would have the right of employment and discharge over their own personnel and the Treasury should have nothing at all to do with it. That all those parts of the Civil Service which belong to those industries and to those undertakings, or are contiguous to them, should be handed over to their control, and that all immunities, i.e. all security of tenure in a particular job, should be abolished, because in a Socialist society, everybody should have a right to a job, but no man should have a right to a particular job. One of the reasons why you have slackness in some forms of governmental administration is

because, there being security of tenure in the job itself, you have too many round pegs in square holes.

Social security for the individual worker should be sought in the system of insurance security, which I hope we are going to get. But in the particular job, he (or she) must win his (or her) right to keep it by efficiency rather than by some old form of industrial security. This, of course, would get rid of a great deal of trouble about promotion. The reason why people are promoted, when they have been in an industry for a long time, is because that was a way in which workers had to protect themselves against the caprice of private employers. But promotion by years of long service is not necessarily the way to get the most efficient administration. Therefore, if you are going to have these great undertakings conducted properly, those in charge of them must have the right to select their men and women and put them where they find them most efficient. This will cause a good deal of heart-burning in many directions, but I think it is necessary for it to be done.

This Supreme Economic Council would have entrusted to it the administration of these great concerns. Furthermore, they should not be subject to day-to-day questioning and interrogation in the House of Commons, because once you have very large areas of employment taken over by the State, there is always danger of nepotism if those able to give jobs are subject to the control of representative electors day by day.

The House of Commons, or whatever representative institution we decide to have, should, of course, exercise supreme control over the general plans and designs of the Supreme Economic Council, but day-to-day interpolation and interrogation in the Representative Assembly would be inconsistent with the harmonious and smooth running of those services. You would have to have—and here a great

deal of pioneer work has been done—plans periodically submitted to the Government of the day for their consideration and approval, general plans laying down what the Supreme Economic Council is to do. But what is absolutely essential to the success of a scheme of this sort is that the Representative Assembly should be recognised as sovereign in the decisions as to general design and intention, but that the individuals carrying out those intentions should be free to do their job as best they can. That is therefore the second organ to the State, the first organ being the representative institution, the second being the Supreme Economic Council.

The third organ is the Planning Commission, because the Planning Commission must be separate from a Supreme Economic Council. The purpose of the Planning Commission necessarily must be to gather information and to submit further plans to Parliament for the next readjustment of the economic process.

I think it was Mr. Sidney Webb who said many years ago, that once you got rid of the profit principle from industry, you had to put a costing scheme in its place. Therefore you would have to have, in such a society as I am envisaging, an auditing commission, whose job would be to spot-audit the activities of the Supreme Economic Council in all their ramifications, so as to ginger them up and keep them up to date. It would be a sort of fault-finding commission; and indeed a fault-finding commission of this sort is a very essential part of a civilised society, because when things reach a certain scale, there is always bound to be something wrong, and it is the duty of the fault-finding commission to find out what it is.

Then you have your other institution, which is of course the judiciary.

Now I come to what I regard as an essential feature of my proposal. The Representative Assembly must retain to

#### PLAN FOR WORK

itself all the social agencies of coercion and of education. Unless you have that, a new economic oligarchy will become the supreme power in the State, and you get merely a species of Fascism. But the ultimate sanction in a community is the right to put a man in jail, power over his person. The ultimate sanction in a community resides in the armed forces of the State, and over those armed forces popular representative government must have supreme control.

So must the Representative Assembly have control also over education. So that I am suggesting that you hand over to the Supreme Economic Council only those economic instruments which we have decided are to be common property, and not any form of social activity which would in the slightest degree increase their powers to the extent where they might become an institution challenging representative government itself.

If we therefore keep in mind this division of function, economic technical administration by the Supreme Economic Council and Parliamentary control over the armed forces of the State, then you have the central design of a society which is coherent, which is self-contained, and yet based upon functional principles, and there is no reason why that cannot be brought about. But what Socialists must recognise is this, that they cannot permit the economic changes, now taking place, to continue unless they try to bring their constitutional machinery into line with it, because if they allow that situation to continue, then you are bound to have disorder.

Having discussed that part of it, I would like to come to another aspect, the distribution of the product. One thing we shall have to decide at once; that is, that money as a measure of value has ceased to exist. I think the Archbishop of Canterbury was quite right. Prelates sometimes stumble upon profound economic truths. Money as a means

of payment, and as a means of exchange, is so convenient that we should probably have to retain it ; but money as a measure of value is complete nonsense in the modern state. The gold standard is gone and cannot come back again, and therefore if you have got what Lord Keynes describes as fiat money, then it must be recognised. Once it is recognised, the distribution of money and the organisation of credit can no longer be left a matter for private financial banditry. All the organisations of credit must necessarily become State instruments. Once you have decided that money as a measure of value no longer exists, then you have to have a system of price fixation which is entirely revolutionary, and for which certain preparations have already been made.

The products of industry will fall naturally into three main categories. There will be the product, which is freely distributed and not sold. I have already instanced some forms of transport. We awaited anxiously publication of Sir William Beveridge's Report on Social Security, on which, I think, will be fought one of the greatest battles of the twentieth century, and I think it will have to be fought fairly soon. That also is one of the things we will not be able safely to leave to the post-war world—although many people will suggest that it is too difficult to be socially intelligent and to fight Hitler at the same time.

You will therefore have the products of certain industries distributed, and with no fuss at all. The area of free distribution is a purely arbitrary matter. Some forms of transport inside cities, as I have already said, must necessarily be free to be properly organised ; but it is entirely an arbitrary question. Milk for school-children I would put among the first of those freely distributed products ; because I think it is now shown that one of the biggest revolutions which has occurred to recent date in the health of the nation has been due primarily to the provision of more fresh milk

to children and nursing and expectant mothers, and we can no longer allow a state of affairs in which bread and milk can go up in price and Rolls-Royce cars fall in price. In order to ensure that such a situation does not happen, it will be necessary for society by fiat, by edict, by decree, to say that certain articles, certain social services, are no longer sold but are distributed.

Then comes the second category, and that is where the price of the product will be artificially fixed. In other words, a Socialist society must always consider how to create mass consumption for the mass production of the modern machine. Therefore the price of certain categories of products must be designed in order to secure their consumption at the level society thinks to be necessary. To do that you cannot have consumption decided only by competition in price. It is easier, simpler, straighter and more effective to decide beforehand the price of that product in order that you might achieve the consumption which you consider you ought to get. That means that the balance-sheet of the industries producing those products can no longer accord with capitalist costing, and that in its turn means that any compensation given to the owners of the industries taken over can no longer be chargeable to the product itself but must be chargeable to the National Debt as a whole.

This will cause a good deal of squirming, I know. But if you nationalise industry, what you have done is to create a whole class of functionless property owners, who are receiving compensation, because it may still be more desirable to give it, not in respect of any economic functions they are discharging, but in respect only of the fact that it is more expedient to compensate.

So that you have a whole class of functionless property owners, *rentiers*. It is undesirable for these *rentier* people,

for that parasitical class to conceal itself in the form of bond-holders on a whole industry : it is far healthier for them to appear as annual bond-holders on a national budget. If it is a good thing for miners and steel-workers to invest their savings in the National Debt in Great Britain Limited, then why cannot Great Britain Limited pay the compensation ?

This will give to the industry concerned far more flexible control over their own price system : but to clamp the product within the limits of the capitalist method, so that every time an increase in cost takes place, an increase in price follows, means that you have not got the control you need for that product, and therefore you are not able to carry out your central designs. So that you must have a system of price in the second category, which is artificially determined.

Then you come to the third. As I am delivering an address to a Fabian gathering, I knew I would have to satisfy you on the question of marginal utility, and, of course, it is agreeable to do so.

The third category of price must be the prices of those products which are sold freely in the market, and which people buy or do not buy as they wish. There must be an area of competitive price, because in the society which I envisage you are going to have privately owned industry on a very, very considerable scale, because the purpose of a Socialist economy is to secure enough of those instruments of economic activity through which the central designs of society can be regulated. But the society which we must contemplate is a complex society, not a homogeneous one, not a society of universal rationing but a complex community, which accords with the modern mind. Our purpose must be to see that right throughout that complex community there runs all the while the dominating principle of

4. specialist design and sense of direction.

So that there will be a considerable area of economic activity still in private hands, and where the profit will be the dominant consideration. No Socialist has ever claimed that there is anything wrong with the profitmaking motive, the motive is harnessed to social welfare.

So that you have those three categories of principles in the kind of society which I envisage. You may say, this is a highly artificial conception; it is made entirely in the abstract; it is one of those Utopias which we can sit down and easily draft, but it is not one which is likely to be achieved, it is not one which has any political practicability.

I do not agree with that at all. I think H. G. Wells said, in a little interesting book he wrote about four or five years ago called *The Croquet Player*, that what had happened was that the framework of the past had been broken, and a new frame had to be created if human society is once more to be stabilised on a credible basis. What I find, when I speak to young people nowadays, is that they do not see any intelligible coherent body of doctrine which dominates political and public activity, and when that happens life becomes incoherent. When the old frame has gone and no new frame has been created, the individual feels helpless. He begins to distrust economic and political organisations, and he begins to search, not for a secular design for society but for a *mystique* to which he can dedicate himself: and whenever large numbers of young men and women begin to grope after a *mystique* instead of using their brains to form a secular design for society, that is the time the demagogue comes along and exploits their desire, and you get Fascism.

So that we have reached the point where we have to make up our minds about something. We have to have a design. We have to have something that people can attach themselves to, with which they can identify themselves, and

here, in what I have said or in some such proposal, you have got something that people can understand, something that can be explained to them, something which is sufficiently self-sufficient, something that takes the place of those evangelical crusades with which every other generation of mankind was bemused.

That is the reason why I feel rather doubtful about what some of our friends are doing. I very much distrust people who talk about the association of moral principles too much. I like to get the machinery right. These people who are talking only about the establishment of moral principles as the guiding principles in the State—I think they will have to be a little bit more precise, a little more definite and a bit more concrete; because my experience has shown me that, whenever people start talking too much about principles of public morality, there is a danger of a deal on somewhere or another.

Human society is a secular thing. What we have to do is to make it a rational thing; and to make it a rational thing we have to reach decisions as to what we want it to do and how we want it to behave. To do that we have got to start to plan, and unless we do do it, unless we as ordinary men and women, as citizens, insist upon the plan, the planning will be done for us by people who are now getting power into their hands. There are a large number of most sinister influences at work in this country, at the present time, who are themselves beginning to think about the kind of society we are going to have. And there are a large number of experts at work upon it: and when the expert gets to work on political objectives, mankind is in danger of damnation.

The human race has made more progress in the last hundred and fifty years than in the ten thousand years before it, precisely because through the political coming of age of ordinary men and women, amateurs for the first time

dominated the Government. Therefore we Socialists, if we are to do our job, must begin to make up our minds what it is that we want to achieve.

The Federation of British Industries has been at work upon this matter. A number of prominent industrialists have sent out brochures. We have attempted from time to time to expose their subterranean intentions in the *Tribune*. The Trades Union Congress has done a little on this matter, but not very much. The Labour Party, with elephantine travail, produced a very innocuous document, which they have decided to postpone operating until after the war.

In the meantime the people of Great Britain are, for the first time for half a century, lacking guidance from that very organisation from which they have a natural right to expect it,—from the Socialist movement of Great Britain. Young men in the Army, Navy and Air Force are beginning to think about these things more than ever they did. The propaganda of a past generation is not carrying over to the new generation. So that a great deal of the work that we did twenty and thirty years ago we will have to do over again; for it is absolutely essential to get hold of these young men and women, because if we do not get hold of them, they will go wrong. We can only get hold of them if we place before them some coherent design, some self-sufficient purpose, which meets their ideals and which appears to give an opportunity for stabilising society for some time to come.

As I see the conflict, it is now as it always was. It is what Oliver Cromwell saw in 1647, and Colonel Rainborough saw it too, when that historic meeting occurred in London and they were discussing a new Parliament after Charles I had been imprisoned. I recall the words to you, because they are as apposite now as then. Colonel Rainborough, wanted manhood suffrage. Oliver Cromwell,

representing the burghers, said this : that a man could not have a vote, unless he had a stake in the country. Colonel Rainborough replied, "I can see nothing in the law of God, or in the law of man, or in the law of Nature, which asks that one Englishman should live under laws which another Englishman did make. But if the Englishman be asked to obey the laws, he should have the making of them."

Oliver Cromwell said, "If they that have no goods and chattels, be allowed to make laws equally with them that hath, they that hath not will make laws to take away the goods and chattels of them that hath." Colonel Rainborough answered mordantly and said, "If it be that some Englishmen have property, and therefore all Englishmen cannot be free, then you have said it, my Lord General, and not I."

You have in the State to-day just the situation which Oliver Cromwell feared would arise. You have democracy poverty and private property. The conflict in Germany, and the conflict in France, and the central conflict behind this war, is just the fact that those are three uneasy bedfellows and unless poverty uses democracy to control property, the property, in fear of poverty, will destroy democracy.

That is the essential dynamic underlying the modern social situation. When democracy is nerveless and does not act, when democratic institutions do not become instruments in the hands of the people and weapons in the struggle, then the people themselves lose their faith in democratic institutions, and Fascism comes. Fascism is not a future world order; it is the future refusing to be born.

We to-day will not carry this war through to a successful conclusion, nor will we fulfil the ideals of the Socialist movement, unless we recognise that this social chaos, this economic anarchy, this undirected behaviour of men and women in society must give way to some central purpose

and design, if mankind is to be saved from disaster. It is only from Socialism that can come, and there is no reason under heaven why the Socialist movement should at this moment suffer from any sense of inferiority, because the whole world shows that war comes just from those countries where ordinary men and women have lost their power in the State. Therefore there is no reason for us to feel defeatist; there is every reason against it. There is no reason at all why ordinary men and women should bow their heads and say, "Let somebody else guide us into the land of Canaan out of this desert." There is every reason why this Socialist movement should take the lead at the present time, and why they should take risks in taking that lead.

The political truce means that the war must be conducted in accordance with the principles of a Tory Party. It means that we cannot ask for any change. I remember my father used to tell me a story. When he was a young man, he had a brother much older than he. Once in the middle of winter they had a silly argument about which had the stronger will-power. My father was invited by his brother to walk out into the snow. He must have been pretty dumb too, because the argument was that he would ask to be let into the house before his brother would ask him in. That seems to me to describe the exact situation at the present time between the Labour Party and the Tories. We are out in the snow. They are inside by the fire. They say, "No change." As a consequence of that, the whole nation's war effort is being hamstrung, and the Tories say, "Ah, you will break up national unity if you dare insist on anything else; in other words, we risk even losing the war on Tory principles rather than try to win it on Socialist ones."

That situation has gone far enough—further, in fact, than it ought to go, and the deadlock has to be broken. I do not see why we should be frightened by it, because I have

never seen a more demoralised crowd than the Tories are to-day. We may not yet have discovered our sense of direction, but they have lost theirs. The world in which they believe is dissolving around their ears, and what we are witnessing at the present time is not leadership but a wistful nostalgia to try and get the old world back again. Therefore I say there is no reason why we should be disappointed or should have any sense of inferiority, but if we are going to throw off this profound inertia, it can be done only by effort.

I therefore come at the end of what I have to say to what I said at the beginning. Where we are now, very largely is a consequence of what we did before, and what we are going to, is very largely the result of what we are doing now.

To further Socialism we do not need a charter for some future day, but a weapon for action now, because the war against Germany, against Fascism, can be won only if the war against reaction and Fascism at home is fought with equal vigour. Both are part and parcel of the same story.

Therefore I say that in this series of lectures for post-war reconstruction, I hope the Fabian Society will always consider as an axiom of conduct, how can these things be made a revolution, an inspiration and a weapon in the hands of people at the moment.

### 3. PLAN FOR THE KEY INDUSTRIES

by JIM GRIFFITHS, M.P.

We have now been at war for just over three years, and those of us who belong to organisations like the Fabian Society have, during those three years, been mostly concerned, and rightly, with the inadequacies and the imperfec-

tions in the planning of our economic and industrial life for war. That has been our special task, to call the attention of Parliament and the nation to these inadequacies, having regard to the urgency of the international situation.

Perhaps because we have been concerned about that aspect of the problem, we have sometimes missed the significance of what has been really done. The first thing to which I want to call your attention this afternoon, is this : that in spite of the imperfections, and the slowness of the tempo, the war has involved an enormous transformation of our industrial life. When we are able to look back and see it as one complete picture, we shall realise that it has been the biggest industrial transformation in Britain since the Industrial Revolution.

The other day, the Minister of Production (Mr. Oliver Lyttelton, M.P.) said that fully 60 per cent. of the nation's economic and industrial activities are devoted to war purposes. Let me translate that into human terms. When we express this proportion in terms of human labour, it means that fifty-five out of every hundred occupied persons in this country have got a war job, or are rendering some kind of war service. Their life, their work, and their occupation are harnessed to the war machine.

When we come to face the transition from a war to a peace economy, we shall be confronted with a very great problem of resettlement, a problem of reconstruction. The magnitude of the problem will be such, and its reach so wide and extensive, that it will confront the nation with the choice as to which way we are to organise our industrial life after the war.

The first thing we have to understand is the nature of the choice that we shall have to make. Let us realise clearly that the choice is not one between a planned economy and a return to an unplanned, and uncontrolled, economy. No one

in this country will dare face this transition without some kind of plan and some measure of control. No, the choice is not whether we shall plan—or not. The real choice is: Who shall plan? What kind of plan—and for what ends?

A generation ago, Mr. Tawney, in his book *The Acquisitive Society*, described the choice facing Britain in these words: "The choice in Britain is not between competition and monopoly, but between a monopoly that is irresponsible and private, and a monopoly that is responsible and public."

The industrial changes of the war are re-defining that choice, and in a sharper way than even a generation ago. We have to choose between economic control by the nation in the interests of all the people and control by big business in the interests of the few.

There is the alternative: a choice between planned economy for national need and an economy planned by, and for, big business.

We want a planned economy by the nation for the nation. How are we to accomplish that job? How are we to plan the key industries of the nation after the war?

Let me begin by stating that if we are to have a national plan at all, planned by the State for the whole of the nation, there are certain key controls which must be possessed by the nation. Unless they are in the hands of the nation, no national plan can possibly succeed. I only want to mention them this afternoon, but they are the essential foundation of any real national plan for Britain. These are the four key controls:

First, there must be control over credit and investment—that is fundamental.

Secondly, there must be national and regional control, and planning, of the distribution and location of industries. That is essential to the industrial, no less than to the physi-

al, rebuilding of British life.

Thirdly, there must be control over the priorities of rebuilding and resettlement. When the end of the war comes, there will be an intense competition for the available building capacity of the nation—and unless there is firm control, we shall hand over Britain to the speculator and jerry-builder.

Fourthly, there must be control over overseas trade, both exports and imports. The alternative will be the creation once again of those pools of poverty that we politely called special areas.

These four controls are the essential prerequisites of any kind of effective national plan—and without them we shall fail.

Now I come to the problem of the key industries. It will be impossible, within the time at my disposal, to deal adequately with all the key industries. I propose, therefore, to deal in some detail with those with which I am most familiar, and to refer briefly to one or two of the others. They are industries that are essential to every phase of our national life. They are also industries, and services, that are closely related, and which, if they are to be efficiently organised, must be integrated and planned as a whole. I have, therefore, grouped together three groups of industries which I want to see planned. They are :

1. The Fuel and Power Industries.
2. The Iron, Steel and Metal Industries.
3. The Transport Industries, and Services.

#### 1. THE FUEL AND POWER INDUSTRIES

Fuel and power are the lords of industries—in war and peace. Without them modern industry cannot work. The efficiency of the fuel and power industries, therefore, affects

the success of the whole of industry. Apart from oil, the bulk of which we import, the other fuels and motive power are coal, electricity and gas. And as almost all the electricity generated, and the gas produced, in this country are derived from coal, the coal industry is the foundation of our fuel and power industries. We are fortunate in the possession of an abundant supply of coal. The experts tell us that in our supplies of coal, even at the peak production of 1913 (287 million tons in the year), we have sufficient reserves to last for 800 years. We are not only rich in the supplies of coal, we are also rich in the quality of the coal available within the country. Except lignite, we have every possible kind of coal, every grade of steam coal, every variety of bituminous coal, and every kind of anthracite coal. And not only is coal available in ample supply, the deposits are, geographically, favourably distributed over the whole of these Islands. There is not an industrial town in the country which is more than fifty miles away from a pit. In this we are far more fortunately placed than the other coal-producing countries, whose coal supplies are generally concentrated in one corner of their territory. How grievous this can be in an emergency is shown in the experience of the Soviet Union, 60 per cent. of whose coal supplies were lost when the Nazis overran the Donbas.

Here we have these wonderful advantages in supply and location. The best definition of coal I ever read was that "coal was the bottled up sunshine of ages gone by." That is what it is. And what do we do with this treasure—perhaps the most valuable we possess as a nation—this bottled sunshine? We smash the bottle—and waste most of it after we have smashed the bottle. One of the things we have to do in the future is to find a better way of utilising this treasure than to smash the container—and let half of the contents run down the sink. I want to see us utilising

this bottled-up sunshine so that its rays are made available, in their myriad forms, for the people of our land.

First of all, let me refer to electrical power—what the collier calls "white coal." An abundant supply of electrical power, at low cost, is essential to modern industry. Take these new types of industries—these industries that produce all kinds of synthetic products. Each one of them consumes enormous quantities of electrical power in their processes. Let me give one example, the production of calcium carbide. I was privileged, the other day, to go over the only carbide factory in the country, established since the outbreak of the war. Carbide costs something in the region of £10 to £12 per ton. Over half the cost of production is represented by the cost of the electrical power consumed in the process. These figures clearly indicate what an important factor the cost of electrical power is in this type of industry, and how essential an abundant supply of power, at low cost, will be if we are to successfully develop them in the post-war period.

And it will be equally important for most of the older industries as well. In the metal industries the electric furnace has taken the place of the old type. It is said that in the steel industry of Germany the electric furnace is fast replacing all the older types. It is clear, therefore, that in the re-equipment of the older industries electric power at low cost will be necessary.

Then we have but yet touched the fringe of the use of electricity in agriculture—and in the homes of the country. The complete reorganisation, as a national service, of the generation and distribution of electricity is urgently needed for the task of reconstruction.

A word about oil. So far we have done but very little to develop the processes for the extraction of oil from coal. Many of us urged, in the pre-war period, that this should

be done as a measure of national security. Little was done—and I am afraid that the vested interests in oil had something to do with that. We should urge it again, for we must remember that the experts have warned us, more than once, that the time will come when the supplies of natural oil in the world will reach the stage of exhaustion. Britain still lags far behind other countries in the development of these processes, though we have such rich coal resources. The Labour Party's proposals for the development of these by-product industries is still the best plan I have seen. Study it in the report of the committee on "Oil from Coal."

In our plans for the key industries I want to see all these fuel and power industries linked together in one comprehensive scheme.

There is one other aspect of this matter to which I want to direct particular attention. It is to the fact that the big combines have secured a tremendous grip upon every kind of invention and patent. Not only in this country, but in the world. It is a kind of "black" international that has cornered, for private interests, the fruits of scientific investigation and discovery. If these new discoveries are to serve the social purpose that is implicit in a planned economy, it is essential to take steps to socialise, and internationalise, the inventions of the last half-century—and thus to free them for the service of mankind.

## 2. THE IRON, STEEL AND METAL INDUSTRIES

There are two accompaniments of the war that will have a big influence upon the future of these industries. First, as always happens in war-time, they are being expanded to meet the needs of war-time production. We saw at the end of the last war how great can be the social disintegration

if they have to readjust themselves to a peace economy without national control and planning. This time we should insist upon an orderly readjustment. I have already indicated that these industries will have to be technically re-equipped. There is one branch of the industry which is located in my area—the tinplate and steel sheet plants. At the end of the war they will face the problem of the restoration of the export trade upon which they depend so substantially. At the same time they will confront a technical revolution in the coming of the "Strip-mill" process already established at Ebbw Vale.

The capital cost involved in the re-equipment of these industries is such that the only alternatives are large-scale combines—or public ownership. We should aim at their reorganisation as an integrated whole, under public ownership and control.

There is another reason why it is essential that these industries should be publicly owned and controlled. War involves a great destruction of property—of houses, shops, factories and of machinery. We shall face a colossal rebuilding programme at the end of the war. We shall also be confronted with the replacement of a large proportion of the capital equipment of this country, and of all the countries that have been involved in the war. There will be need for the rapid readjustment of these industries to enable them to fulfil the needs of reconstruction.

For all these reasons these key industries should be grouped together and unified under public ownership and control.

### 3. THE TRANSPORT INDUSTRIES

And now let me say a few words about transport—the central nervous system of our industrial life. It is a sad

commentary upon us, as a nation, that even the urgent necessities of war have not compelled us to co-ordinate into one comprehensive plan the whole of the transport services of the country. Is there any group of industries which is so overdue for unification, as a public service, as transport—rail, road, canal, waterway, and sea transport? Is it not now clear to everyone, so clear as to need no further argument, that these services can only be efficiently organised as a unified service? And is it not equally clear that there is no hope of real unification whilst the separate interests stand in the way? The case for unification under public ownership and control is unanswerable. What I want to direct special attention to this afternoon, is that form of transport to which the war is giving an enormous impetus—that is, aviation. At the end of the war we shall possess the potential for an enormous expansion in civil aviation. What are we to make of it? Are we to hand it over to big business? Did you notice the report the other day of the remarks of the Chairman of one of the shipping companies on this point. He told the assembled shareholders of his company that the directors were giving attention to the problem of how they could come into civil aviation at the close of the war. I hope the whole nation will say to all these vested interests: "Hands off."

The expansion in this service at the close of the war will have been made possible by the collective efforts of our people: the youth who have braved the terrors of combat in the sky: the engineer who has devoted the best that is in him to give the nation the weapons that would destroy the Luftwaffe: the worker who has poured the best of his craftsmanship into the construction of our aircraft. To hand the service built up by their sacrifice, and toil, over to the profiteer will be a social crime that I fervently hope this nation will not commit.

There are international aspects of this question. Aviation is essentially an international service. There must be an international organisation of this means of trans-continental transport. In our own country our duty is clear. We must develop it as a national service—and co-ordinate it with the other forms of transport into one comprehensive service.

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I have referred to three groups of key industries that I want to see planned as integrated industries, publicly owned and controlled and devoted to the service of the whole of the people.

#### THE INSTRUMENT OF PLANNING

What instrument are we to use to secure a plan of this kind?

I do not want to deal with this in any detail, for it will fall within the scope of my friend, Harold Laski's lecture on "Choosing the Planners." But it is relevant to the point I have urged that these groups of industries should be reorganised as groups and not as separate entities. If we are to proceed in the normal pre-war parliamentary way of a separate bill for each one of the separate industries within each group, how long will it take to do the job? The first thing we shall have to secure is the retention of the existing controls for a sufficiently long time to enable, first, the nation to decide its post-war industrial policy, and, secondly, to retain the instruments of emergency legislation created to meet the urgencies of war. For the post-war situation will have its own urgencies—and will require emergency powers to deal adequately and rapidly with its problems. There will be a natural desire, as soon as hosti-

lities cease, to secure a relaxation of some of the controls over our lives. And this natural desire may be exploited by those who will want to sweep away all controls to make impossible any real national planning. The first battle, I am sure, will be the battle over the retention of the controls. We must get the people to realise that if we are to win the peace, and plan that victory, it will necessitate controls just as the winning of the war has needed them.

### CONTROL OF INDUSTRY

So far we have been concerned with ownership and plans for reorganisation. It is important that we should also devote attention to the question of control within the industries that we propose to nationalise. Unless a nationally owned industry gives to the worker the sense that he is working in an industry in which he is a real partner, we shall not create that social purpose without which no form of Socialism can succeed. We have to remember that the form of control within an industry affects the life of the worker far more directly, and intimately, than the form of ownership. And unless a nationalised industry provides a form of control that secures this, it will fail to provide the new motive of service so essential to its success.

I would, therefore, direct your attention to the form of control recently established in the coal industry. I know that it is control imposed on a privately owned industry and that, for that reason, it will be stultified from the inception. But its structure deserves close attention, for I think that it is the best structure so far adopted in this country.

First, we get the establishment of a Ministry which brings within one administrative department all the industries in the fuel and power group. There is what I think

## PLAN FOR THE KEY INDUSTRIES

essential to effective democratic control of publicly owned industries—direct ministerial responsibility for policy, and accountability to Parliament.

Secondly, the central administrative structure is, I think, on the right lines. The Minister has under him a Chief Executive Officer, and four directors of activities, production, services, labour and finance.

Thirdly, there is devolution of authority to eight regions. Within each region there is a parallel administrative machine to that at the centre. This removes the danger of over-centralised bureaucratic control. The control of industry must be sufficiently near to those engaged in it to enable close relationship to be maintained.

Lastly, there is at the point of production—the single pit—a Production Committee in which there can develop that partnership between technician and operator which is the prerequisite of real democratic control of industry. I speak as a Trade Unionist. I know that all our life has been spent in struggle. We have developed the kind of structure suited for that task. The struggle has created a psychology that reflects that intense battle that is the life-story of trade unionism. It is not easy to get Trade Unionists to approach their problems from another angle. But it has to be done if the Trade Unions are to fulfil their rôle in the days that lie ahead. We have to think of ourselves, not merely as organisers of the workers to fight the employers, but as the creators of an instrument that will enable the workers to play their part in the control of their own industry and in the ordering of their lives. Here is one of the major problems of industrial reconstruction on Socialist lines. Can we bring the black-coated technician and the black-faced operator into partnership? Can we get the worker to look upon the technician as something other than a "boss's man"? Can we get the technician

to think of the operator in terms of a human being and not a robot made to obey? So long as they think of each other in those terms no real partnership will be possible, and no democratic control can succeed. I hope that the Trade Union Congress, in spite of the vote at the last Conference, will give its mind afresh to this problem. It is one of the most vital, and urgent, problems confronting Trade Unions—the building of a trade-union structure that will enable the unions to take their share in the control of the publicly owned industry of to-morrow.

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That, in outline, is the kind of plan I want to see adopted for the reconstruction of the key industries. If we can induce the nation to adopt some such plan, then, I think, there will be some prospect of our being able to mobilise the industrial resources of this nation for the winning of the peace.

The work done by the industries of the country during the war has revealed some things that give solid hope for the success of such a plan if adopted. The war has shown that there exists among our people the organising capacity, the technical ability, and the skilled craftsmanship necessary to rebuild industry as a public service.

What we have to do is to weld this organising genius, this technical ability, and this craftsmanship into a team that can develop a common will inspired by a common purpose. Free industry from the restrictive control of financiers. Remove the dead hand of privilege. Sweep away the industrial nepotism that puts the wrong men in charge of operations. Give to all the men engaged in industry the feeling that they are working for the benefit of the whole nation. This will create a social purpose that

will generate the social will that will make success certain. Thus we can lay the foundation of a reconstructed industrial organisation that will provide the foundation for the new, and better, Britain of to-morrow.

#### 4. PLAN FOR THE LAND

*by* L. F. EASTERBROOK

In the first place, how much is it necessary to have a plan for the land? It was very much brought home to me yesterday and this morning, because I have just come down from Northampton. As an example of how necessary some sort of planning for the land is, I was up in Northamptonshire looking at the iron ore excavations. There are valuable iron ore deposits running underneath the fields of a large part of Northampton, Oxford and Warwick, and Rutland and Leicester as well, with a certain amount of soil lying over the top. Many years ago the ore used to be got out by hand. That was quite simple, for the excavations did not go down very deep and so did not make much of a mess; but more recently they have invented wonderful machinery for doing that, and they can go down sixty and seventy feet taking off what they call the over-burden, i.e. the soil between the iron ore and the grass on the top, taking that off, throwing it down anywhere in spoil heaps, and leaving something that looks like the Grand Canyon in Colorado, running mile after mile through Northamptonshire. The spoil heaps, where they have thrown this earth to one side, cover thousands of acres. This was good land, which once supported Northampton farms and live-stock, and ultimately you and me; and it is left like that. It is just left.

That, it seems to me, is terrible. It is surely a crime against our country, that we should treat our national inheritance in such a way.

What makes it worse is that it is absolutely unnecessary. It need never have been left like that. If it had been said at the beginning—as the *Scott Report* has now recommended—that it should be the obligation of the concern that takes out the iron ore to put it straight again, it would all have been done. Most certainly it could be done now, because we have far more up-to-date machinery for pushing back the soil into those huge gulleys as well as this astounding machinery for getting it out. It really was a most extraordinary sight. You all know what mechanical navvies are like. The ones they have got up there are some of the largest in Europe. The arm that holds the scoop looks like the mast of H.M.S. *Rodney*; the cabin is about the size of a hotel dining-room, and the scoop takes out five tons at a time. Every day an acre of our country is being despoiled like that. An acre a day is put out of use.

They tried growing trees on the spoil heaps. The person who suggested growing trees was not interested in forestry, but only in something that would hide the follies of man so that they should not be seen. For trees will no grow under those conditions without special care, and even if they did, you could never harvest the crop when it was ready. The trees I saw were growing very badly indeed, and the workings are of the wrong kind of shape and size for efficient forestry. They run in long straggling strips, and forestry should be in good square blocks to be efficient.

Money is not the difficulty in this example. Plenty of money is coming out of the land, but not a large enough proportion of it is being put back. It is just bad national planning.

It costs about £60 an acre to put those places straight

again. The royalties which the landowners concerned are receiving in Nottinghamshire average £264 an acre. In Oxfordshire they average £340 an acre, and in some of the other counties up to as much as £717 an acre. Agricultural land as a rule is not worth more than £30 an acre to buy. So it would only have been necessary to have said that there was an obligation on the Company getting the ore to put the land straight again afterwards, and they would just have knocked £60 an acre off the royalty which they pay to the owner, and the owner would still have been left quite well in pocket over it. That is an example of how bad it can be.

Now let us consider a brighter picture. About a week ago I was down in Dorset, where I saw something quite encouraging on the other side. Dorset has anticipated the *Scott Report* in the quiet way they have down there, and they have a plan for Dorset that covers 95 per cent. of the country. Only a bit of the hinterland behind Bournemouth and Poole does not come into a planning scheme that has passed its final stages and been fully accepted. They have there divided the county up into five or six areas, with a Committee in each area, and on each Committee the various interests are represented—agriculture, industry, owners, communications and so on. So when any land has to be taken from its agricultural use for a housing scheme or anything else, the Committee in the area is consulted. They naturally, if it is a question of taking agricultural land, go to the agricultural people on the Committee and say, "We want land in such and such a place. Is that all right from your point of view?" The agricultural expert may say, "No, I don't think it would be a very good piece of land to take. It is the best agricultural land in the district." Or he might say, "It would knock the farm there in half, just leaving one half, and that half an unworkable unit. It would be better to take some land a little farther south or east,

because there it is not so good and would not be a considerable loss to agriculture." In the normal way, they would accept this advice.

The scheme has worked, and without any upsets or difficulties they have managed to plan the use of their land in the county of Dorset quite successfully. They told me that they had purposely chosen this method of having five or six local committees and not taking the county as a unit, because then each Committee feels that it has its own scheme and is interested in working it; but if it were to come through from the county, they would be inclined to feel that it had been imposed from outside and might even feel a sort of hostility about working something which was not a scheme of their own. Anyhow, the experience of Dorset has been that you get far more enthusiasm and far better support for a scheme if you decentralise it in that way. Of course, there is a central joint committee for the whole country, that directs policy and sees that the schemes dovetail in.

That shows that we want some sort of scheme for the use of the land, and also how such a scheme could be made to work and the kind of way in which it might work.

Then there is the land itself, and how you are going to use it from an agricultural point of view. It would be very convenient, if it were possible to say, "Well, all right, we will grow all the corn in a nice little block in East Anglia; we will produce all the milk out in the West; have all the poultry grouped up in Lancashire, because it is quite a big industry there and it is near the ports; and in one way and another we'll have a neat little scheme for the whole country." But unfortunately, some of you may think—although I think fortunately—it does not work out like that. Agriculture or the whole has got to be on the basis of mixed farming, an all-round business, for a variety of reasons.

The main one can be very simply stated. If you keep

n growing the same thing in the same field year after year, the field begins to get sick of that crop. No doubt it gets the wrong collection of bacteria in the soil from this excessive specialisation, which you will never find in Nature. Nature abhors specialisation.

This has been illustrated in recent years by Sir George Stapledon, who has done wonderful work on grass. He is probably the greatest expert in grass living at this moment. He recommends that you should put down a pasture field for a certain number of years, three or four, or even five or six, according to conditions, and then plough it up. Take one or two corn or root crops in between the ploughings, so that you cash the fertility that has been stored up in the soil by the animals grazing and manuring it, and turn that all into cash by the corn crop that you grow. Then, after a couple of years or so, grass it down again with fresh grass. That way you will get far better grass, far more productive pasture and far healthier soil than if you manage it on the old system of keeping it permanently in grass for twenty, thirty, forty years or more. We have to use the plough to plough up these grasses and sow the kind that will give you early grazing and good grazing. This is really what it amounts to; that to get the best pasture, you have to do a certain amount of arable farming over the greater part of this country.

Agriculture, I always think, is rather like Ireland. There is nothing you can say about Ireland but you cannot state exactly the opposite and prove it up to the hilt. But, broadly speaking, over the greater part of our country what Sir George Stapledon says of agriculture is true.

Do you realise the implications of that? It means that if you want the most efficient and the cheapest milk production, you have to have the plough working round the dairy farm, playing its part in the farming there. You must plough for milk.

Mixed farming means live-stock. First you will probably want cattle. Then you may find you want some grass sheep as well, because they eat the grasses the cattle do not eat. They like the little short grasses, cattle like the longer grasses. Then you will get some pigs probably, because you have surplus small potatoes to give them, or surplus skimmed milk from the dairy. You will keep some poultry, because you can fold them over your fields, and they will improve them enormously by their manure, which is rich in nitrogen, and also by their action of pecking at the grass. So there you get the whole system of mixed farming, which is quite opposite to specialisation. It means the most efficient kind of farming and the cheapest milk production.

But the implications of this are that, if we are going to do it over our country generally, we cannot fail to have a considerable increase in its agricultural output. The extraordinary thing is that this once might have seemed a catastrophic thing to occur. In the more realistic times we are living in at the moment, we thank God for increase in food output; but there have been times when it might have seemed a visitation of the devil if your crops and live-stock increased themselves; for you could not sell the produce on the market, prices fell, and success on the farm meant disaster at the bank.

I wouldn't like to say how great that increase would be. I can only tell you of a farmer I saw when I was down in Dorset. His was not by any means a farm which had gone derelict; it was a farm which by pre-war standards had been farmed quite reasonably well. It had gone down a bit from the better times of fifteen to twenty years ago but was in reasonably good condition. A fresh man took over in 1938. He meant to be an all-grass farmer, just producing milk and keeping a large head of poultry. They persuaded him to try this idea of Stapledon's, this "alternate

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husbandry," as it is called. He began on that in 1938, and to-day that farm is producing six times the quantity of crops and six times the head of live-stock.

Don't think from this that the overall increase would be 600 per cent. for the whole country. It would not. But I do believe, and Stapledon bears this out, that we could increase the live-stock that we could carry in this country through such a method of farming becoming general by something like 100 per cent. Not by doing anything that could be regarded as stunt farming, but just by sound methods of husbandry. Our forefathers were, on the whole, better farmers than we are, although they had not quite the same scientific inventions to help them, but they had a better instinct for the land than we have had in recent years. Stapledon's plan simply means the application of new knowledge to the methods and understanding of the land which they had.

So I do not myself foresee, in any national plan, agriculture turning over to excessive specialisation, although I do not say there will not be specialist farms. I think obviously market gardens have to be specialist concerns, and there may be certain parts of the country where specialisation is both possible and desirable. Of course, emphasis can be thrown on different aspects of production. We obviously want to link up our farming with our nutritional needs. We want to produce more of the protective foods, more milk, eggs, vegetables.

You can observe the principle of moving the plough round the farm, and yet throw the emphasis on these things to a considerable extent. It is a very flexible method of farming. You might say you were going to plough up these pastures at the end of two or three years, but if they were carefully managed, I am quite sure you would get your good grass over a large part of the country for at least five or six

years. So you could throw more emphasis on the production of the grass part of the farm and less emphasis on the production of the wheat, barley and oats.

Obviously it is going to be most important, up to the limits of keeping the soil healthy, to work in our farming programme after the war with our nutritional needs. But to me it does not make sense to talk about feeding people with food to keep them healthy and not take steps to see that the land producing the food is kept healthy. To keep the land healthy, it needs a change of crop from time to time.

Then there is the question of whether we are going to alter the general lay-out of farms. There again nobody can lay down a hard-and-fast rule for the whole country. As you know, some people have advocated very large concerns, 10,000 acres and upwards, highly mechanised, also rather specialist producers, in which it is claimed that greater use of machinery, and buying and selling on a bigger scale and so on will increase the efficiency of farming. No one yet has produced any figures to prove that that is so, or even to indicate that it might be so. The only figures that exist about that prove rather the opposite. They tend to show that it is the farm of 75 to 150 acres that produces the greatest profit per acre and the greatest amount of food per acre.

The small farmer must make his land produce intensively if he is to make a living; whereas if you are farming 10,000, 12,000 or 15,000 acres and are only leaving yourself a profit of ten shillings an acre, you are not doing too badly.

I should not have said myself that it is possible for one man to look after more than 1,000 acres without a tremendous amount of delegation to other people; and it is not every good farmer who is able to delegate or to organise a farm employing a large number of people.

I was down at a place some months ago where something like that had been tried. For it is not new, this idea of

putting a great number of small farms together and turning them into a large concern. It has been done many a time. I know of four instances myself, and in each case sooner or later the whole thing has disintegrated and has broken up into smallish farms again, as it used to be. This place, of which I am talking, was about 14,000 acres. Everything was done most scientifically. There was a Director of live-stock, a Director of machinery, a Director of cropping. I think there were five different directors altogether, and a farm manager. The result of that was that none of the Directors ever knew what the other Directors were doing, so they were usually working at cross-purposes, and the farm manager never knew what anybody was doing. There was a tremendous overhead staff, who kept every sort of statistics.

The man who had gone into it was a wealthy man, or to-day he would be selling matches at the corner. He had even worked out what was the most economic length of furrow to plough, and had altered each field to fit this. And the whole thing was a complete failure.

I would not have expected it to have failed as badly as that. I should have thought it likely he would have made as much money as a farm of 1,000 acres or so run by one man who knew his job, but the concern more or less had to wind up.

I think there is no doubt at all that many farms will have to be altered. Some need to be larger, others might well become smaller. A lot of the fields will certainly want squaring up, specially the ones under about 8 acres or so. They are an awkward size, an awkward shape for machinery. But there is not an awful lot to be gained by getting fields bigger than about 15 acres. My friend Roland Dudley, who is an apostle of mechanisation and was one of the first to start it, tells me that after you get to 27 acres, there is no saving whatever in the use of

machinery under such conditions ; that it is not cheaper per acre to cultivate a field of 50 acres than to cultivate one of 27 or so ; in anything over 20 he has told me that the difference was very, very small indeed.

Having decided that we want to plan for the land, the kind of farming in a general sort of way which we would go in for, and the sort of lay-out of farms to have, the next thing is to see that we get the land used efficiently and properly. I think that the work done by the County War Agricultural Committees has given us a very good line on how that might be done, how you could get control of the land and its use without necessarily taking over ownership of the land or making every farmer a little black-coated appendage of Whitehall. Lord Addison is far better fitted than I am to speak about this, because he is Chairman of the Bucks Committee, as I expect you all know.

Broadly speaking, these Committees have had a wonderful effect upon farming. But first of all, there must be some encouragement to go ahead. It is very difficult indeed to exhort a depressed industry, an industry which has lost hope, to make itself efficient. Efficiency does not grow in surroundings of that sort. Efficiency comes when there is some belief in the future, some belief that a job is worth doing. The prices and the general set-up for the war have created that amount of background for desire to go forward and do a job : but the Committees have done a wonderful work in education, in getting a central plan carried out, and in getting the job put through. They provide a very interesting example of how to put a national plan to work.

Our war-time agriculture is centrally conceived and centrally directed. It is planned by the Ministry of Agriculture in London, but the job is actually done by people like Lord Addison and his farmers in the counties concerned. Their County Committee appoints District Committees, which

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are made up of farmers, who know local conditions, and know the local men. They go along to a fellow farmer and say, "Now, look here, George, you've got to have so many extra acres of plough-land on your farm this winter. I'll come along on Wednesday and see which is the best bit." They meet and have a look round, and have a good talk about it, and after George has explained why he should not plough up any land at all, they come to an amicable decision and finish up with a cup of tea or something stronger, and there it is. Sometimes it doesn't always end as happily as that. There are always the awkward chaps. The non-cooperators. For them there is compulsion. But ninety-seven times out of a hundred, compulsion never has had to be applied.

The County Committees have proved an exceedingly good instrument for getting jobs done. In the war their task is a particularly difficult one, because we have had to do a tremendous job on the land. We have had to start from scratch in some cases and teach people how to use a plough again. In the Midlands and elsewhere there were people who have never used a cultivating implement in their lives, farmers and their men. We had to get volunteers in some cases from the arable districts to teach farmers how to plough again.

In addition to that, which all had to be done very quickly, we have had a quite difficult rationing scheme for live-stock to administer, because even the cows get coupons in these days. As well as that we have had to teach farmers to make silage, how to manage with less of everything, and to produce more out of less of everything, working against time all the while. That has been an enormous job for these County Committees. After the war it will not be such a heavy strain upon them. There will be more time, more opportunity to go into matters in greater detail and in a little more leisurely fashion.

But that points the way to some organisation on those lines ; by a central plan in London, carried out by decentralised groups of people, continuing, I hope, to work on a voluntary basis, because I do believe very much in encouraging the attitude of public service in this country. When you have been about a bit in one or two other countries, one realises that we are very inclined to undervalue in England the amount of public goodwill and public service that people in this country are willing to give for no financial reward.

If, as seems inevitable, the State is going to play a greater part in our lives after this war, give us more security in various ways, then it is going to be all the more important that there should be a two-way service and that something should be going back in the way of voluntary service from the individual to the State. Otherwise we are all going to become enervated dole-recipients, waiting to have the next 'ing' thrown to us. That would be bad. If we are going to have the State playing a larger part in our lives, we must tribute something more in the way of service to the State.

At the present time some 6,000 farmers are doing a very big job. They are giving their time for no financial reward at all in service on these County War Committees. They seem a useful kind of body to control agriculture up to the point of seeing that anyone who enjoys the privilege of owning English land uses it properly ; and if he misuses it and refuses to mend his ways, then it is only right that he should be turned off it, because land is a very limited commodity in this country.

If somebody makes a mess of a factory, in the long run it does not matter ; another man will come along, build another factory, run it better and that will produce the goods instead. That is not so on the land, however. Every acre of land that is not producing what it could means that amount of food lost to this country and that amount of wealth. So we





cannot afford to have land misused, and if we are not going to let farmers misuse the land, also we must not let landowners do so.

Some of you may say, "Yes, but are we going to have any landowners?" That I do not know. I don't think we should be frightened to look words in the face. We never are in England. That is why we have got quite good at compromise, because we are more interested in the way a thing works than in what it sounds like.

You cannot take agriculture out of politics, because it is part of the daily lives of a great many people in this country and so politics must affect it. But you can to a very large extent take agriculture out of party politics and agree on some kind of a general plan among the parties for agriculture. There is so much goodwill—I am sure Lord Addison will agree—on all sides in the House of Lords and the House of Commons towards agriculture, that we can get a long way towards that. But we shall not do that if we think too theoretically. By that I mean we should say: "Will the plan work?" not "Is it in line with such and such a theory?" Don't forget that the working of our democracy, as we understand it, is dependent upon a background of understanding among all the parties concerned.

For if a new party were elected to power to-morrow, and it just voted out all the legislation of the party that had been in before, we shouldn't get anywhere. So there has got to be that sort of an agreement to make our democratic system work, in order to prevent one party just cancelling out the work of another.

It may be that it is too late to get individual landowning to become a live profession again. For don't forget that in the old days it did work, and in many parts of the country, especially in the north of England and the south-west, the landowner still does a first-rate job in connection with agri-

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At the present time some 6,000 farmers are doing a pretty big job. They are giving their time for no financial reward at all in service on these County War Committees. They seem a useful kind of body to control agriculture up to the point of seeing that anyone who enjoys the privilege of occupying English land uses it properly ; and if he misuses it and refuses to mend his ways, then it is only right that he should be turned off it, because land is a very limited commodity in this country.

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Some of you may say, "Yes, but are we going to have any landowners?" That I do not know. I don't think we should be frightened to look words in the face. We never were in England. That is why we have got quite good at compromise, because we are more interested in the way a thing works than in what it sounds like.

You cannot take agriculture out of politics, because it is a part of the daily lives of a great many people in this country and so politics must affect it. But you can to a very large extent take agriculture out of party politics and agree on some kind of a general plan among the parties for agriculture. There is so much goodwill—I am sure Lord Addison will agree—on all sides in the House of Lords and the House of Commons towards agriculture, that we can get a long way towards that. But we shall not do that if we think too theoretically. By that I mean we should say: "Will the plan work?" not "Is it in line with such and such a theory?" Don't forget that the working of our democracy, as we understand it, is dependent upon a background of understanding among all the parties concerned.

For if a new party were elected to power to-morrow, and it just voted out all the legislation of the party that had been in before, we shouldn't get anywhere. So there has got to be that sort of an agreement to make our democratic system work, in order to prevent one party just cancelling out the work of another.

It may be that it is too late to get individual landowning to become a live profession again. For don't forget that in the old days it did work, and in many parts of the country, especially in the north of England and the south-west, the landowner still does a first-rate job in connection with agri-

culture. He was not just a rent receiver : there is no place for the landowner who is *only* that in agriculture. He has responsibilities. He has a job to do. His job is to provide a large part of the permanent capital, the cottage buildings, farmhouse, land drainage and farm roads, and so on, and to give leadership. Don't let us forget that the countryside wants leadership pretty badly to-day. You don't get it very much from the small farmer. You would hardly expect it to come from there. If the landowner is what he ought to be, he should be able to give leadership. And he would run the home farm partly as a demonstration farm, where farmers on his estate can come and see the latest ways of doing things ; I mean showing, if he can, how the latest improvements of science can be applied on a strictly business basis to farm the land better.

And he has another job to do. Agriculture is getting more and more complicated ; more and more capital for fairly large installations is required. Grass drying, for example. A first-class grass drier costs £1,200 or £1,500 to-day. Quite obviously a man farming 300, 400 or 500 acres cannot afford to put in anything like that. That is the sort of job which the landowner could do. He could have a central grass drier where his tenants could bring their grass to dry ; and, of course, pay to have the job done.

He could set up an estate cultivating service, where central tractors and tractor ploughs could plough the fields of the small farmers on that estate in return for the appropriate payment. He could set up a central buying and selling agency on that estate, because, as you all know, you get things on better terms if you buy them in large lots than if you are dealing in penny packets. The landowner, in fact, should be able to provide many of the advantages of large-scale farming without its disadvantages.

So, if we can attract the right kind of persons back into

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ownership again, and if they will carry out their responsibilities, do their job and have confidence in the industry so as to invest money in it, there is a part for them to fulfil. If it can be done successfully, my own feeling is that it will probably work better than if it were done by bureaucracy, than if you had some anonymous kind of person in charge of a district, who had to refer back to London before he could give a decision. You have to have quick decisions in agriculture. That is one reason why these big concerns are so often failures. You plan the whole work to-night; you have your foreman in and tell him what he is to do to-morrow. To-morrow comes and there is a change in the weather, and the whole thing is different. You have to alter your plans at a moment's notice. That is going on all the time. There are no two days where the problems are quite the same if you are running a farm. That is what people living in town find it difficult to realise.

So I do feel that if we can get the right kind of owner on to the land again it is worth having him, even if at the same time the State is acquiring more land for various reasons. It has been acquiring more land steadily for years and years.

I would come to the last point of all, and that is that whatever plan we have for agriculture in England, it is no good our just sitting down here rather smugly in this very favoured little corner of the world, and thinking, "Well, now we are all right. After the war we have drawn up our agricultural plan. To blazes with what happens to everybody else. We are just going to squat down here and have a little Arcadia of our own." It will not work out like that. We have seen in the past how it does not work out like that, because the bad times come, the time of world depreciation, when prices fall everywhere and food becomes very cheap indeed. Then the people in this country, hard hit by the

hard times, will turn round and say, "To blazes with this Arcadia of yours. We are in a bit of a spin. We don't know what to do for money. If we can buy at half the price from abroad, we'll jolly well do so." And the whole plan collapses.

Even a country of the size and resources of the United States of America found that they could not live in isolation, not only from a military point of view but even economically: so I am quite sure that we cannot, and we have got to take our part in drawing up an international scheme by which the first job which the farmers of the world have to do is to feed the world.

Freedom from want, we say, in the Atlantic Charter. If we are serious about that, it means that we have to have a farming plan for the whole world. There was a great deal of hunger in the world before the war, and there is not going to be that enormous surplus of food which used to find its way here because very few other countries would take it.

In fact, to my mind, there would be something really rather disgusting in the spectacle of us in this country, because we happen to be fairly rich—we are not so rich any longer, but we are still better off than many countries—sitting back in our corner and taking this surplus food from the world, because we were too lazy, or too wedded to the principles of usury, to use our own acres to grow that food for ourselves and let the surplus food go to the people who really required it.

If we are going to have freedom from want, it does mean that there will be less food available to come here, and that we shall have to play our part in a world scheme for seeing that the food produced goes to the people who are hungry.

That is not such an impossible dream as you might think. A year ago I went all through the Middle West of

1 America, talking to the farmers there on these lines. The Middle West people are supposed to be isolationist, "cannot see beyond the parish pump." But what actually happened was this. I talked to about thirty meetings of farmers through the Middle West. I always said that kind of thing to them, and they said, "Yes, that is grand. That is what we have thought about for years. Won't you get your farmers to come out here to talk to us about it? Let's make a start next month."

So, not only on humane lines, but if we are going to make our agricultural plan work, we have to have stabilised agricultural conditions all over the world as part of this general plan, which is, to summarise very briefly :

First of all, planning control of the physical use of the land, control of what it produces, of the size and shape and nature of the units that produce it ; control of the people concerned in the job, farmers and land-owners ; and integrating that, making it part of a world plan after the war, in which the first job of farming is to feed the people who are hungry.

## 5. FREEDOM FROM IDLENESS

*by* SIR WILLIAM BEVERIDGE

I had hoped to talk this afternoon about my Report on Social Insurance, because I hoped it would have been published before to-day. Let me say at once, the fact that it has not been published before to-day is entirely my fault and nobody else's. Nobody has tried to sabotage or delay the Report. It has simply taken rather longer to get born—that does sometimes happen—than one expected. But, as

it is not published, I cannot say a single word about it, and there is not a single word that I shall say to-day that will give you any indication whatever of what is in that Report.

I have had, at very short notice, to choose an entirely different subject; there has been no difficulty in choosing. Some months ago I defined for myself the general aims of reconstruction on the home front, by naming five giant evils which have to be destroyed—the evils of want, disease, ignorance, squalor and idleness. To-day I propose to talk about the giant idleness, how we are to get freedom from idleness, meaning by that freedom from mass or prolonged unemployment.

Freedom from want and freedom from idleness are to me entirely different subjects. When I was young and flippant, I used to go about saying that no man I ever knew had ever starved for want of work. The only thing that caused him to starve was want of income with which to buy things. I used to go on to point out that there were certain people, the Heads of Colleges at Oxford and Cambridge among others, who had very little to do for six months of the year and nothing at all to do for the other six months; and yet, so far as I knew they did not starve. (I am glad to say that I find by experience that that was all right—about the not starving.) Not being quite so young, and therefore perhaps not quite so flippant now, I do not talk like that; I try to emphasise instead the fact that merely saving people from physical want, by ensuring an income for them, is a very inadequate procedure. First of all, nobody wants merely to have a subsistence income; second, quite apart from income, what people really want is a job, and a job which seems to them worth doing. That is what I am going to talk about to-day, freedom from idleness, which is a very much more important subject than freedom from want.

It is more important in itself, because, as I have

as said, no man wants to eat the bread of idleness. It is more important psychologically, because anxiety at this moment about what is going to happen to each man, who has not a nice comfortable safe position, such as one in the Government or in Master's Lodgings at Oxford, anxiety about what is going to happen to them after this war is the greatest trouble of most people who have given up what they were doing before and whose future is uncertain, whether they are in the fighting forces or in some new industrial job. Freedom from idleness is more important than freedom from want, but also it is a question that is more controversial than most of the others with which one is concerned on the home front.

There is no political issue about social insurance. Social insurance is not a party question at all. There is no political issue about education, dealing with ignorance. There is no political issue about disease, the importance of health services. But on this question of how and by what methods one is going to avoid prolonged unemployment after the war, there may be a very large political issue.

I am really here to find out, to ask you to go and find out, whether there is going to be a great political issue on this; I hope that there isn't because of all the other reconstruction problems, securing freedom from idleness is not only the most important but also the most urgent. After all, you have the social services. No first-rate disaster would happen if you left them untouched till after the war. I am not saying you ought to, but no first-rate disaster would happen. The same with health and education. You have a lot of health services and a lot of schools. But you cannot have the problem of avoiding mass unemployment after the war to be considered only when the war is over. It must be considered now—during the war; it is the most urgent of all the reconstruction problems. Finally, it is the most

difficult of the reconstruction problems. I have not come here with a ready-made solution of this problem. I have had to change my subject at very short notice. Till yesterday I was thinking about entirely different things, and I must crave your indulgence for improvisation. I have come to ask questions rather than to answer them—to raise discussion. It is only by discussion that we can find an agreed solution.

How are we going to maintain productive employment after the war? Let us begin the answer by asking another question or questions. How was productive employment maintained in peace-time, and to what extent was it maintained successfully? It was maintained mainly by the system of private enterprise at private risk under competition controlled by price mechanism. That was the liberal, capitalistic, economic system in all countries practically in the world except Russia before this war. I called it a system, and, of course, it is a system; it is not an anarchy, as some people say. Free competition makes the producer the servant of the consumer, while giving room for initiative and enterprise.

You may begin to think I am a contrary person. Whenever I see a Conservative audience, I am inclined to say to them that if there were a Socialist Party in Britain, I should join it. And, when I see a body of what, I hope, are good Socialists, I am inclined to stress the other point of view, and the merits of private enterprise and private risk.

Because there are great merits about it. On the whole, before the war it did do something towards avoidance of mass unemployment, not enough but something, and it certainly did enable us to have a continually rising standard of living, through the nineteenth century, across the last war and across the period between the two wars.

As I have said elsewhere, private enterprise at privat

risk is a good ship, and a ship that has brought us far, but it produced some unemployment always. I do not think some unemployment in any industrial system is a first-rate misfortune. You must get some unemployment in any changing economic system. But private enterprise between the two wars didn't result merely in short unemployment. It failed in more serious ways.

The private enterprise system at private risk, as we knew it between the two wars, did not give one any guarantee against mass unemployment, prolonged unemployment, which rotted men in idleness for years and years together. There were two main failures: (1) it did not prevent cyclical fluctuation of trade, bringing about depression of trade for seven, eight or ten years, and (2) it did not deal with a violent change of economic circumstances in passing from war to peace.

After the last war, when we started to return to the Britain and the world as it had been before that war, we found the world had changed; and Britain, finding herself back in a world of economic nationalism and shrunken international trade, failed to readjust herself.

Private enterprise is a good ship, but to some extent it is a fair-weather ship for open seas. It is not suited to war, and it was not suited to the period between the two wars.

In war we always do give up private enterprise at private risk, and then we find to our surprise that not only have we less unemployment than in peace-time, but practically no unemployment at all. When people tell me that it is impossible to abolish unemployment, I tell them, "I am sure that must be so since you say it, but, as far as I know, unemployment has been abolished twice in my lifetime, once in the last war, and again during this war." I will not say it is wholly abolished. I believe occasionally there is a little unemployment on good wages in some of the munition

factories and elsewhere, but generally speaking it is abolished.

How does that happen? In two ways. First, you get the industry of the country, the whole productive effort of the country, guided by national planning and directly controlled and stimulated by the State and on behalf of the State. You get national planning and national execution of the national plan. The State makes up its mind that certain urgent things must be done in order to win the war, makes a schedule of the men, machines and factories available to meet those needs, and adapts these resources in order to supply them. That is national planning and national execution. That is the first condition on which you abolish unemployment during the war.

Secondly, you abolish all barriers to the free use of labour and other resources for production, and you bring about a fluidity of labour and other resources. The State has one form of demand for labour, which is infinite and indiscriminate. Nobody is allowed to refuse to be an airman, or a soldier or a sailor because it was not his job before, nor is he kept from being an airman, a soldier or a sailor by the people who are already in the fighting forces and do not want him in. Of course, that gets extended beyond the fighting forces into industry. You get the relaxation of every kind of restriction; you get people being called on to do, not what they have been used to doing, but new jobs in war.

Those are the two conditions on which unemployment gets abolished in war—national planning and fluidity of all productive resources. We are driven to that national planning and direction and fluidity of resources in war, chiefly because war violently changes our needs. We have to beat our ploughshares into swords. Perhaps, having regard to Mr. Hudson and the Ministry of Agriculture, I ought to use some other phrase, because we want even more ploughshares than ever before. Let me say that we have to

turn peace production into war production.

The end of the war will cause the reverse process of beating swords into ploughshares : turning war production into peace production ; and over and above that, the end of this war will undoubtedly call for a great change in the direction of our productive effort. We cannot tell all the changes that we shall find in the economic structure of the world when this war ends—what for instance it will have done to the sources of rubber supply or of alternatives to rubber. But we do know that in one respect we shall find a completely different economic world after this war than existed before. We shall have lost practically the whole of our investments overseas, and therefore we shall get none of those supplies of raw materials and food from abroad as payment of interest on our overseas loans. I think it is clear that we shall very likely have lost a great deal of our shipping services, which are another means of paying for imports from abroad. Of course, we cannot live without imports after the war : we must have imports both of food and raw materials, and we shall be able to pay for them only by exporting goods.

Therefore, it will be absolutely vital for this country to develop a vigorous export trade, much greater than we had—a new export trade. That is not an easy job. It has to be done. It is absolutely vital for us. That is the kind of change with which we have to prepare ourselves.

I think there is no doubt that if any great change in the direction of productive effort is needed, it can be brought about more quickly and effectively by resolute national planning than by trusting to the price mechanism and private enterprise. If you want the most striking instance in all history of what resolute national planning can do in entirely changing the economic character of a country, you have it in Russia. In twenty years' time you have had a complete

industrial revolution. In the last war Russia collapsed before a small part of the strength of a much weaker Germany. To-day you have the Soviet Union industrialised so far that it can stand up alone to almost the whole weight of the onslaught of a much greater Germany.

Whatever your judgment, and I have very definite judgments upon the Soviet system as applied to this country—I will say at once that I do not want it for this country—the achievement of Russia is a most impressive phenomenon and a most impressive proof of the possibility of rapid change by resolute national planning. For rapid change of productive effort one dare not trust to the price mechanism or to private enterprise at private risk. For a change of that sort one needs a national plan and national execution.

We have got to readjust ourselves to new conditions after this war. This has two consequences :

- (a) it makes vital the fluidity of resources ;
- (b) it makes it clear that we must have a national plan for the use of our resources after this war to meet our needs.

Whether or not that means executing the plan by a direct extension of State activity is a question that I really want to discuss with you. But that you must have a plan, a design, of how our resources shall be used to meet our needs, I think there is no doubt at all.

What does national planning mean? To me it means that somebody in behalf of the State should make a design of how all the resources available can be used to meet the needs which we know of. You make a schedule of your resources, your man and woman power, your factories and your machinery. You set out what you could produce, and what you could not produce without great changes and must get from abroad.

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On the other side you have to make a schedule of your needs—the food you need, materials, houses and so on that you need—not forgetting purchasing power abroad. That is vital. I want to stress it because it is very easy to say that there ought to be any amount of work in this country. There is. We could all be employed most usefully and with great benefit to our remote descendants in building enormous numbers of houses, schools and arterial roads. Houses and schools and arterial roads are quite excellent things in their way, but from the point of view of post-war planning they all suffer from the common defects that you cannot eat any of them and you cannot export any of them. Those are both serious defects about houses, schools and arterial roads. You cannot live by building them, however much your descendants may enjoy having them; they are all a form of capital, and you cannot export them and therefore get the people in the Argentine and Canada to send you in exchange for them the food you would like to eat. You must have exports.

That is going to be more difficult than meeting the domestic needs, needs for housing and education and all the rest of it that we have in this country. But, difficult or not, you have to make that design, and making that design is like making a plan for a military campaign. It will not necessarily all be carried out just as you make it. If you plan a campaign, you say, "Well, if I should win that particular point, I can win the war this way. If I don't, then I must try and win some other point." You have alternatives. But to go into the aftermath of war without a plan would be as ludicrous as to go into a battle or campaign without a plan. A plan is what we must have.

The making of a design, showing how our needs could be met with the resources we have, is quite different from executing that design, just as planning a battle is quite differ-

ent from conducting it.

Having made our plan, the next stage is to say that, since the maintenance of productive employment is absolutely vital, we shall be prepared to use the whole power of the State to execute the plan, so far as it is necessary.

Having said that, you then have to consider what is the best method of executing it. How do we mean that industry in fact shall be conducted; and there you come to the question in executing a plan, how much room is there going to be for private enterprise at private risk and for the profit motive? It is on that that I want to refer to that very interesting and, to me, extremely encouraging pamphlet which has been published quite recently, signed by one hundred and twenty leaders of industry, called "A National Policy for Industry." To my mind every reasonable man ought to welcome the appearance of that pamphlet with its proof of the serious and patriotic spirit in which the business men of this country are approaching the problems of the aftermath of war. Only by the kind of discussion which that pamphlet represents, can we clear our minds as to how we are going to maintain employment after the war, how we are going to carry out any plan we make for the maintenance of employment. The pamphlet is a plan for the preservation of private enterprise as the basis of our economic system, in most fields though not necessarily in all fields, as an alternative to State ownership, but it is to be private enterprise largely regulated so as to check and reduce competition. It is assumed that there will be associations of producers in each industry with statutory powers, subject to appeal and to a Central Council of Industry.

I am not going to pass judgment upon that plan. I confess I do not approach any plan which puts power into the hands of the groups of producers in an industry with very great sympathy. I very much doubt whether public

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opinion is a sufficient alternative to competition in controlling private enterprise so that it serves the consumer. But I feel bound to examine every possible plan for the control of industry by itself with an open mind, not condemning it out of hand. The authors of the pamphlet say that amalgamations do not generally in fact exploit the consumer. I think it is true that to some extent an amalgamation, even if it has almost a monopoly in its own field, may not exploit the consumer because nearly always its product is in competition with some other article which may also be controlled by a monopoly. I do not think one must rule out this plan of industry organising itself on the basis of private enterprise, controlled in some way to make it the servant of the consumer.

What I think one must welcome is that that pamphlet is written in a spirit which quite definitely commits itself to the view that the object of industry is not making profits but the serving of the consumer. Hold on to that and make sure that industry does serve the consumer and not the producer. Of course, whether that particular method is the right method or not, obviously there is a great variety of methods open for the State, having made its plan, to execute it. The State has many different ways of influencing the course of production.

There is general financial control, which was used both through the bank rate before the war and through other financial operations of banks with a view to stabilising employment.

Then there are many different ways in which the State can try to influence particular industries. There is the control of investments.

Then, what is more important for the future, there is a possibility of influencing the directing of production through the control of raw materials. That is very import-

ant indeed. I think it is very likely that a control of our raw materials and allocating them to particular purposes may be one of the most valuable circumstances for executing any plan we may make for the maintenance of employment after the war.

Then there are the big services like transport and electricity. It seems obvious that transport and electricity and power are going to be monopolies. They should be monopolies guided by a national plan, and not run as businesses looking after their shareholders.

There are all the possibilities of direct operation through monopoly corporations. You can have a corporation to run a particular industry. There is a great variety of methods.

The fundamental thing we have to do is to consider, having made our plan, which is the best method for executing that plan.

Whatever the method of controlling industry, there are two further requisites for success in dealing with the maintenance of productive employment in the aftermath of war.

First, there is the change of Government machinery. Quite obviously the State cannot undertake new tasks in the economic sphere without a change in the machinery of Government and in the types of public servants. The Civil Service is quite admirable for the kind of jobs which it has had to do in the past. They are not mere routine jobs. There is a great deal of initiative in the Civil Service, and I cannot speak too highly of my own experience of the Civil Service. But the type of person and organisation suited to one kind of work is not necessarily suited to another kind.

More than that you cannot possibly make a plan without having Government machinery which can make it, and that means you must have an Economic General Staff. You cannot get that out of the Treasury, which is a department of one particular purpose; you cannot get it out of Depart-

amental Committees. You cannot make a plan without somebody to make it.

How, for instance, could you use your control of the railway services of the country to serve a national economic policy, if nobody had made a policy which it could serve? And there is nobody to make a national economic policy, because making a national economic policy does not mean having a meeting of executive Ministers, in a hurry, or a meeting of departmental officials, busy with other things, to decide. It means that somebody has to sit down and do a lot of hard work by thinking of economic problems in order to make a plan and a policy. Revision of Government machinery to fit for the new tasks that have to be done is fundamental.

The second requisite is the fluidity of resources and the absence of barriers to the transfer of men from one type of work to another. This is just as necessary as the making of a plan itself. Nothing that any British Government could have done—and, remember, we had Governments of several political complexions during the twenty years between the two wars—could have made it possible for all the unemployed miners to get work as miners, or the unemployed shipbuilders to get work as shipbuilders, or the unemployed textile operatives to get work as textile operatives. They depended upon an export trade which had gone. I think things could have been done to use those men, but not in their own trades. We must realise that men must be prepared to change their trade and do what is wanted and not stick out for doing what they have been used to doing. That to the British is a very hard doctrine. We are very fond of doing the things we know we can do, and are very conservative, wanting to go on doing what we have been used to. We shall have to learn to change and be willing to change. I do not think we need go anywhere near as

far as either the Americans, on the one side, or the Russians on the other side : in other words, I do not want to abolish unemployment insurance, so that people are compelled to take any job that comes along. Unemployment insurance is one of the ways to enable people to keep to their own job. It was invented by the Trade Unions for that purpose, and was a very typical British invention. But it can be carried too far.

Now, let me try to sum up in five propositions.

First, maintenance of employment after the war is the most important and the most difficult of the problems of reconstruction. That does not mean abolition of all unemployment. Some seasonal unemployment is inevitable, or at least not worth the cost and trouble of stopping it ; a certain amount of unemployment through changes in place and form of production is inevitable and does no great harm. To be idle for a few weeks or months is not disastrous. But avoidance of mass unemployment is vital, and I think it is the most important and the most difficult of all the problems of reconstruction. It is also the most urgent of all these problems, because the methods for solving it must be agreed and settled during the war. To give to all those now engaged on war service, whether in the fighting forces, or war factories, or elsewhere, or as civilian workers, confidence that the Government had effective plans for maintaining employment and would use all the powers of the State so far as necessary for that purpose, would be a major contribution to victory.

Second, it is not possible to trust for this maintenance of employment to the methods of the last peace—of private enterprise without national planning—to bring about the necessary readjustment of our productive effort in the difficult transition period after the war. National planning is essential, however the plan is executed.

9% Third, any further extension of State activity in the economic sphere involves reconsideration of the machinery and methods of Government, including both the central organisation and the personnel of the administration.

Fourth, greater readiness to change jobs and fewer barriers to movement are essential.

Fifth, in the execution of any national plan for the maintenance of employment, it is vital to preserve initiative and enterprise. The practical problem is that of discovering how to retain the proved benefits of private enterprise at private risk in the past with the necessity of national planning in the aftermath of war. This problem, like all others, no doubt has a solution, but I am certain that the solution is not going to be found except by a great deal of hard thinking and open-minded discussion.

Speaking as I do to one of the constituents of one of the great political parties, which has a quite definite view as to the relations of the State to industry and to private enterprise, let me say I am glad that you should be devoting yourselves to the study of the post-war world. I hope you will do so thoroughly, dispassionately and open-mindedly--seeking agreement. I do not mean, by asking you to be open-minded, that you should seek compromise and agreement at the cost of getting results. The maintenance of employment is vital. It cannot be left to chance. Maintenance of employment is so vital that to secure it is worth any cost except war itself or the sacrifice of essential British liberty.

When I was talking on this subject to a friend of mine the other day, he said, "I believe you could make a plan which would maintain employment, but I am sure your plan would destroy essential British liberties."

I replied, "Not at all. I am not proposing to destroy any essential British liberties and I should not agree to

giving them up on any account." What are the essential liberties? They are :

First, liberty of speech and thought illustrated by the fact that I can get up here and say anything I like quite openly at any time—even in war.

Second, freedom of association, whether in Trade Unions or in Parties ; freedom to form new Parties. That to me is an essential British liberty.

Third, some choice of job. You cannot have absolute freedom, in the sense that you cannot choose to be a second Archbishop of Canterbury, because only one is wanted in the country. But, subject to that kind of limitation, freedom to choose your job.

Fourth, a great deal of freedom with personal income. Freedom to spend or save, provided you have enough to meet your first needs.

I went on to say to my friend that I did not regard private ownership of the means of production and the power to employ other people on the means of production as an essential British liberty ranking with those others. I do not do so for the good reason that I regard myself as free a Briton as there is in the country, and I have never owned any means of production at all in my life except a fountain-pen. To me the question of the ownership of means of production is not a matter of faith, not an essential British liberty. It is a question of method, a device, and, mind you, I think it has been a good device in the past.

Some initiative and change are vital, and the way they have come in the past has been through that private ownership of the means of production, through private enterprise at private risk. What you as Socialists have to find out is whether you can do without that and get the same results. I ask you to try to find that out. I hope you may, discover instead a way of combining national planning with the

retention of private enterprise in a substantial part of the total field of all industry. I hope for three reasons that you yourselves find a way of keeping a place for private enterprise :

(1) For its own sake. Private enterprise has been a good device in the past.

(2) For the sake of agreement with other people who are in favour of private enterprise. Unless you get agreement, you are in a dilemma, and you may find great difficulty in getting a plan for maintaining employment after the war made during the war. The plan must be made during the war, and it can only be made by agreement, or by persuading the other side that you are right and they are wrong.

(3) While it is true that, to bring about those great changes, a great readjustment of our economic life, of our productive effort, will be necessary after this war in order to meet the changed world, and while I believe that national planning, a great deal of State activity, is necessary to bring that about, I do not want to see complete Socialism introduced in the war because of war, to meet a temporary exigency, if it is not a good thing permanently. For it would be hard to go back. I do not want to make the exigencies of war a ground for a change which is not a good thing in itself.

Therefore I say to you, as people who are interested in and convinced by Socialism, that it is very important to see if there is an alternative to complete Socialism as a means of finding employment after the war. That is what I would urge on you. We do not want the exigencies of the war and after the war to be a ground for bringing about changes by disagreement if we can get the same results by agreement.

You will see that the problem of freedom from idleness is not an easy one. I never said it was an easy one. There are not any easy times ahead of us, either in peace or in war. Which of you has asked for easy times?

## 6. CHOOSING THE PLANNERS

*by* HAROLD J. LASKI

## I

It has become a commonplace to say that the post-war world will be a planned world. Most of us would agree that the prospect of victory in this war depends on the degree in which we can make a system of deliberate purposes an inherent and implicit part of its organisation. Most of us would, I think, also agree that one of the most important sources of our danger is the existence of men and institutions whose interests are threatened by the degree in which that system of deliberate purposes is successfully established. That has been made clear ever since the shadow of Hitler's counter-revolution first began to fall across our path. Rationing, the controls in war production, the issues we face as the principles of reconstruction begin to require instant definition, the nature of the propaganda to be used in political warfare, the type of men and women who are to staff the important posts in public departments—in each one of these areas—and I choose a few only of the many I could take—there have been men concerned to see that the power taken was not either in order or intent likely to make a post-war movement to a planned democracy either wide in space or rapid in time. Mr. Churchill's "too little and too late" has not been a wholly unconscious negligence.

I do not for one moment mean that there has been a considerable group or class in Britain which has not been anxious for victory in this war; I do mean that there is nothing like a general agreement about the ends to which our victory is to be devoted or the methods by which those ends shall be attained. So that when we all say that the post-war world must inevitably be a planned world we state a series of problems about which there exists none of that general consent which enables us to assume the likelihood

their easy, even peaceful solution. For what is the post-war world to be planned? For whom is the post-war world to be planned? Merely to ask those questions is to make obvious that the answers are as various as the characters of our leaders. There is not even a uniform answer in the speeches of Conservative statesmen. The Prime Minister has said that this is a revolutionary war; but, so far as I understand his interpretation of it, he wants to lead us back to the world of 1939; it would indeed require considerable planning to effect that result. We know from Mr. Eden that he wants to see a new world; I do not think it is lack of generosity on my part which tempts me to conclude that the only reason that Mr. Eden's pronouncements do not worry the 1922 Committee is the careful absence from them of any specific answer to the two questions I have asked. One hundred and twenty eminent industrialists have just published a plan; it is not, I think, an unfair description of their proposals to say that they are a sophisticated model of that corporate state which Lord Lloyd, in 1939, and with the blessing of Lord Halifax, regarded as having solved the problem of a just relation between Capital and Labour; a point of view which, although widely popular in the best circles in Britain until the Royal Air Force began to interfere with Mussolini's ability to make the trains run on time, has never been highly regarded in the Fabian Society. Sir Stafford Cripps strongly favours what I believe he calls planning for abundance; but I have not been able to discover the methods he favours, except that they must be non-controversial, while they persuade those amongst us who march too slowly to quicken their steps, and the more ardent who seek more speed—is this an ingenious reference to Sir William Beveridge?—are to adjust their eager pace to that of their less enthusiastic comrades. Nor are things more definite or coherent on the Left. The Labour Party has told

us, in very general terms, the kind of world it wants ; it has even insisted on the need to lay the foundations of such a world before hostilities cease. But no one can help noting that there are attitudes in the Labour Party not easily reconcilable with one another. It does not look, for instance, as though the Labour members of the Churchill government attach undue importance to the time factor in the Party's programme. To others, the old method of higher pay for shorter hours of work seems the central principle for which they are concerned ; and none of the Trade Unions seems to have taken those steps towards reorganisation which would prepare them for the advent of a new social order. There are Fabians, like my colleague Mr. Durbin, who build their philosophy of planning on a theory of the State which all recent history seems to me to disprove ; and there are other Fabians, the great founders of this Society for example, who have learned from the Soviet Union lessons the truth of which Mr. Durbin fiercely denies. I had always been taught to believe that the unity of the workers all over the world was an essential condition for an effective Socialism ; but I observe the existence of a school of thought on the Left, which, if it is not powerful in argument is at least both active with voice and pen, and well endowed, which works overtime to prove that the German Socialist movement was a branch of German imperialism. It is a school made not the less interesting by its indignant repudiation of any responsibility in the Labour Party for the habits of British imperialism in Africa and Asia. Yet it is significant, I suggest, that few Socialists in Africa and Asia are moved by their repudiation.

We in Britain cannot plan for a new world alone. In the next age, it is going to matter enormously to us all what the United States believes ; a generation from now the tempo of all our thinking will be set by the Soviet Union. Two

generations from now we may all be going to school to the not least noble of all our Allies, the unconquerable Chinese people. Some great speeches have been made in this war by American statesmen ; but none of us, perhaps, even, none of them, know whether the mind of America in the next age will be international or isolationist ; if it is the latter we can be certain only that a new economic imperialism will be born as grim in its claims as any the modern time has seen. The world planned by an isolationist America would certainly offer no hostages to Socialism ; and it is worth remembering that it is not the least of the tragedies of this war that when, at its close, the world will need a strong Socialist movement in America, it will be unable to find it. We do not know what is being brewed in the vast American crucible. We know, of course, that the New Deal was born of the protest of the under-privileged against depression ; do not let us, as we scan our future, forget that American big business was only prevented by the war from presenting President Roosevelt with the grave alternatives of recovery or reform. What are we to plan for if, after 1944, the new America, victorious, powerful, fully armed, its productive capacity unimpaired, offers the choice to a needy and stricken Europe with which its business leaders confronted the greatest American President since Abraham Lincoln ?

And, before we choose our planners, what will the Europe be like for which we are to plan ? Will it be a Europe in which ordered and civilised living becomes rapidly available for the homeless and hungry millions left poised between anarchy and revolution by Hitler's defeat ? If the triumph of the United Nations evokes a Communist revolution in Germany, will the Churchill government deal with its rulers as generously as I suspect Lombard Street would deal with a German government headed by Dr. Brüning with Dr. Schacht as its financial agent in London ? What is the

which bears upon its face the marks of the aristocratic epoch in which it was mainly formed. We cannot hope to plan for mass-welfare with a second chamber either constituted as now or with the powers of the House of Lords. The hereditary principle is incompatible with democracy; and I do not need to remind you that there is no case in modern times where the Lords have opposed the Commons when the purpose of the former has not been an attempt to safeguard special privilege against the claims of popular welfare. No one would seriously argue that the House of Lords, as we know it to-day, can co-exist with a planned democracy. I do not myself believe that a second chamber is either necessary or desirable in a unitary state like ours; I agree with Bentham who said that if the upper chamber agrees with the lower it is superfluous, while if it disagrees it is obnoxious. But I admit that in a society where a second chamber is traditional, there is a case for making allowance for the national habituation to it; and I should be prepared to see a second chamber, small in size, vested only with a brief power of delay, and elected by the House of Commons for the period of its own duration. It would be an assembly, as I conceive, mainly composed of men and women chosen for their place in the esteem of the nation and devoting its energies to the kind of discussion which enlists the attention of the electorate. In my own lifetime, men like Lord Morley or Lord Courtney are the type I should like to see there.

I believe that the place of the House of Commons in a planned democracy will be of outstanding importance. It will remain the central place where the large outlines of policy are accepted, where grievance is ventilated, where critical discussion illuminates for the nation the issues which are in dispute. But the modernisation of the House of Commons is a matter of real importance. Attention to its work on the part of its members is bound to be a full-time job; its

sittings cannot be arranged in the future to suit the convenience of the lawyer who is walking through its division lobbies to the Bench, or the company director who uses it as a stepping-stone to the peerage. We must pay members enough to enable them to employ proper secretarial assistance; and we must make the library of the House that legislative reference bureau which can put expert knowledge at the disposal of the members. We must seek to relate the work of members to the process of administration by a system of departmental advisory committees; and these ought to be charged with the task of watching the massive flow of delegated legislation which is bound to grow ever greater. I do not myself desire to alter the geographical basis upon which the House of Commons is chosen, and, despite its seeming illogic, I prefer the hazards of our present electoral methods, which do at least normally give us a government with the power to govern, than those of the most approved scheme of proportional representation which seem to me, wherever they have been tried, to replace the politics of policy with the politics of manoeuvre. The experience of the Weimar Republic ought surely to warn us against the pathetic fallacy that every Parliament should be an exact mirror of national opinion. The most important duty of Parliament is to approve or disapprove the proposals of the Cabinet in office; its business is criticism, not legislation. In the degree that it does more than criticise, or express its view in the division lobby, as in the great Narvik debate—a debate which helped to save civilisation—it is going beyond the functions that a legislature can effectively perform.

But I am not sure that the present system whereby any person over the age of twenty-one may, given possession of £150, become a member of Parliament can be justified. The more we learn of the methods by which the modern political party chooses its candidate, the more tempted one is to think

out safeguards against some, at any rate, of their consequences. The Tory Party seems to specialise in the young sons of the well endowed ; one of its assumptions may, I think, be not unfairly stated to be the acceptance of the maxim that Guinness is good for you. A member of the house of Cecil or of Stanley goes into Parliament almost as easily as before the Reform Act of 1832 ; his claims to high office are assessed rather more lightly than those of humbler folk ; and the debates of the annual conferences of the Conservative Party have drawn a picture for us of an auctioning of seats in which the main business is the transfer of the bribe from the electors to the local constituency association. The result is a party in which, behind the leader of the moment, is a representative sample of that alliance between the aristocracy and the plutocracy, and their spiritual dependants the legal profession, which, with very brief intervals, has governed Britain continuously since 1688.

It is possible to doubt with some reason the outcome of the Labour Party's technique of selection. Let me be circumspect and say that it does a man who desires to enter Parliament no harm to have the backing of a great Trade Union ; that there are Unions which regard their title to nominate the prospective candidate for a seat as, like sovereignty, inalienable and imprescriptable ; that the intellectual who can pay his own expenses has a better chance than the intellectual who, like the worker, has nothing but his labour power to sell ; and that the result is to give us a Labour Party older in age than at any time in its history, less able, I would add, to give the younger generation a chance than any of its prospective rivals. These are, no doubt, dangerously unpopular things to say. But I think they must be said if only because a very disturbing electoral position will arise if, at the end of the war, the Labour Party has inadequate room in the ranks of its candi-

dates for the men and women who, in the different national services, have risked all they have and are for victory.

I would venture the suggestions, first, that we need some proof of experience before the right to be a candidate is admitted, and, second, that there are certain rules in relation to age which might reasonably be laid down. I think that no one should be entitled to stand for Parliament unless he has had three years' experience in a local authority or some equivalent qualification. That would at least do something to make it more difficult for men to enter the House on the terms on which they seek membership of a very special club. And I would make it a rule that, save in exceptional cases like that of Mr. Bevin or Mr. Oliver Lyttelton, no one can be a candidate for the House for the first time if he is over fifty years of age; and that no one can continue as a member, unless he is a Minister of the Crown, or has been such in the last ten years, after the general election in which he passes his seventieth year. There is hardly a profession to-day in which the principle of the retiring age is not recognised as beneficial; the Civil Service, the teaching profession, the army, the navy and the air force; and the Lord Chancellor is even hinting that magistrates over ninety should, if they are deaf, consider the possibility of retirement. I agree that the application of my rules would deprive the House of Commons of some eminent men very occasionally: Mr. Lloyd George is the outstanding example in our time; but I ask you to note that, from the younger Pitt down to Mr. Churchill, we should not, on the ground of age have lost the services of any figure of distinction, and that they would not have interrupted at any point Mr. Gladstone's marvellous career. They are built on the belief, to which I attach a great deal of importance, that the main bulk of a Parliament needs to be composed of men who have not yet made their final bargain with fate, who have still the energy

of mind to meet the pressure of modern politics with the courage needed to strike out a new line. Parliament, I submit, is not going to face the problems of planned democracy in a creative way if, in the first epoch in which it confronts them, the thought of its Cabinet was mainly shaped by ideas which began to be fixed dogmas before the first world war. Let us remember, a little grimly, that this peace will be mainly defined by men who were already figures of note when the Treaty of Versailles was made. Few, if any, of those who have fought in the war will be able, short of a revolution, to shape the character of the epoch they will then enter.

I am arguing, as you will have noticed, that the ultimate control of a planned democracy must be, through electoral choice, in the hands of a representative assembly to which the main executive authority must be directly responsible. I am concerned, that is, to assure the supremacy in society of the civic context of human beings, the plane of action where vital significance is attached to the identities which unite and not to the differences which divide them. I emphasise this for a reason which bears upon the whole of my subsequent argument, and I must, therefore, develop a little the necessary preamble to it. That is set by the fact that a planned democracy is a positive state, and its freedom is therefore a positive, and not a negative freedom.

This distinction, I think, is of the first importance. In the past, our main concern has been to secure freedom from interference by governments for the individual citizen. Historically, we worked out a series of areas into which authority must not enter, freedom from arbitrary arrest and imprisonment, freedom from arbitrary taxation and expropriation, freedom from interference with his religious beliefs, or

his right to speak and write as he pleased, or to sell his labour power on terms he deemed satisfactory, or to run his business in his own way, and we argue that the free man was he who enjoyed a maximum freedom from interference in areas like these. It is only slowly that we have come to see that a free society, in this negative sense of freedom, was, over-whelmingly, a society in which the ultimate purpose was to protect the unfettered initiative of the business man. He was free, in fact, in the degree that he acquired property; in a general way, he was the more free the more he was materially successful. The power of the successful business man, the needs involved in maintaining the results of his success, set the objectives at which the state power ought to aim. Hours of labour ought not to be limited; that interfered with liberty of contract which was the secret of national prosperity. A minimum wage was undesirable; it tended to threaten that impersonal mechanism of the market which, through the happy operations of the "invisible hand," by making self-love and social the same thing, assured us of consumers' sovereignty. A higher level of taxation was dangerous since it diminished by its interference that freedom to accumulate, that "abstinence," in Nassau Senior's remarkable word, which was responsible for the immense advance in material well-being after the Industrial Revolution.

The earliest generation which equated freedom with Matthew Arnold, called "doing as one likes," had no illusions about its objectives. "It is only under the shelter of the civil magistrate," wrote Adam Smith, "that the owner of that valuable property, which is acquired by the labour of many years, or perhaps of many successive generations, can sleep a single night in security." The idea that freedom is in essence assured where the State limits its functions to external defence and internal police was a philosophy pro-

duced for the benefit of the rising middle-class which felt that, with such a conception of freedom, it could conquer the world. And, despite the angry protests of those who, having no property to safeguard, were in fact in large part unprotected by the State, in a fundamental way, therefore, left outside the area in which freedom was given its meaning, the business men, very largely, had their way. That, I think, is shown by the assumption it is almost natural for us to make that "State interference," "officialism," "Government control," are evil things that the "normal" world, the world after the war, for instance, is one in which things like rationing, priorities, exchange restriction, and so forth, are merely evil memories. Historically, in a word, our thinking has become conditioned to the assumption that the "free" society is one in which there is a minimum interference with the rights of the owner of property.

I do not need to remind you that, pretty early in the triumph, of *laissez-faire*, the necessity of regulating its results in the common interest became overwhelmingly obvious to all except a handful of impossible doctrinaires. The results of the factory system, the absence of public health legislation, the danger of an illiterate population, compelled the State to intervene to mitigate the results of liberty to contract if society was to be saved from revolutionary outbreak. Sir Charles Trevelyan has told us that we owe the modern Civil Service to the impact of 1848 which made it obvious to our rulers that, if they wished to avoid a like event, they must set their house in order. Dicey has suggested that, after 1870, collectivist tendencies began to be clearly seen as the predominant current in our legislation. I think that is true; but their expression is always fragmentary, incomplete. They are exceptions, if you like massive exceptions, to a general principle. The use of political power of the masses to achieve that full scale democracy which is able, in Matthew

Arnold's admirable phrase, to affirm its own essence, is still regarded with scepticism. It has taken two world wars to make us realise what Hobhouse meant when he said a generation ago that "liberty without equality is a name of noble sound and squalid result." Nor is the realisation at all general. Hitlerism reminds us that the vested interests are prepared to sacrifice democracy to the hold of the out-laws if these will safeguard the freedom of traditional privilege. The lesson of the "appeasement" epoch is that the business man's real hatred of war is lest the revolution of the masses be its residuary legatee. Even the Prime Minister thinks of this war as safeguarding the independence of "traditional" England; the planned society, in his vision, is rather like the Europe which existed before Hitler began to tear up its foundations. What moves him in the Soviet Union is rather the courageous ally than the audacious inventor of a new idea—the idea of a planned freedom.

For what I think above all emerges from the experience of the last generation is that the idea of a positive freedom is marked not by the absence of interference from the State-power but by the creation of opportunities it is right that it should organise. Absence of interference means freedom for the few; creation of opportunities means freedom for the many. The enemies of freedom are poverty, ignorance and disease. Each of these we can conquer if we spend our wealth upon their conquest. But we shall not conquer them if our wealth is mainly centralised in a few hands, and the standards imposed upon the many are standards out of which, in general, the few can buy their way. And this is to say that we must plan the use of our resources upon the assumption that it is for the well-being of the many that they are to be used. The enemy in the path to this end is what Bentham bluntly termed "sinister interests"; and these are simply prescriptive titles to well-being bound up, broadly

speaking, with the relations of production which obtain in a civilisation in which, as in ours, the aristocracy and the middle-class join hands uneasily to preserve their privileges from invasion by the masses. New relations of production would mean an era of economic expansion as vast and as creative as that which compelled the aristocracy to share its power with the middle-class. But it means change—change in institutions, change in ideas, change from a society suffused with class-prejudice to a classless society. It means substituting a deliberately planned welfare for what Sir Henry Maine called the "beneficent private war" in which men climb upon one another's shoulders in an ugly scramble for power. It means that the motive to production, in an old socialist phrase of which we do not need to be ashamed, is public service and not private profit and the inference from the classless society is the vital inference that moral right and not legal power is the test of the citizen's claim.

I am not going to deny that this means a revolution in our way of thought as vital in its sphere as the revolution made in cosmology by Kepler and Copernicus, by Galileo and Newton. It is, so to say, the conscious replacement of effective demand by human need in the realm of consumption; it requires equal suffrage instead of plural voting in the making of social decisions. It will obviously alter profoundly the whole scale of values upon which our social organisation is based at present. The reward of the great organiser will be much more like the social esteem we give the great scientist than the enormous wealth we allow him to accumulate. There will be little room for the Napoleons and Hitlers in finance and industry. The principles of constitutional government will not founder, as now, because a defeated soldier can conspire with the "two hundred families" to maintain for another fitful hour a power that is built on shame. The limits of the practicable will be set,

not by the panic they inspire in the rich, but by the priorities which democracy reads into the ends between which it chooses. The scientist will not be frustrated, as now, by his subordination to the financier; and the endowment of his researches will not be limited either by the chance that it is a "paying" proposition, or the accident that some richer man is urged to patronise him that the glamour of his generosity may conceal the origins of his fortune. We shall not argue that this citizen, or that class, or this race is being educated to the point where its knowledge is a threat to the claims of privilege; we should, at long last, understand that those who are denied access to our heritage of culture are denied the right to be ends no less than means. We should be done with the system that counts a man's worth in terms of his possessions, so that by a "great" inventor we mean a successful inventor, by a "great" novelist, a "best seller," and by a "great" churchman, a bishop rather than a saint. Not least, we should cease to breed a class which lives by its hopes of existing upon the exertions of others; and I should hope, thereby, that we should destroy that leisured group in our civilisation to which, by an amazing inversion of real values, the title of "society" has been annexed. In this way, perhaps, we could end the shameful paradox which requires a world war to find for Mayfair and Suburbia the chance of work in which they find that they can serve their fellow men and women instead of exploiting them. But I repeat with emphasis my admission that conceptions like these are revolutionary in their nature.

What institutions do conceptions of this character require? There are, I think, three broad categories with which we must be concerned. There are the men and women who present the general plan to the legislative assembly for criticism, and for approval or disapproval. They will, I think, function much as a cabinet functions to-day. Around

a Prime Minister and his chief associates, there will be a group of departmental ministers, who will, in co-operation, make the decisions which shape the plan of democratic life in a broad way. I see no reason why they should not be chosen as now, because they are the kind of men and women in whom Parliament has confidence; I know no function that the House of Commons performs better than its selective function. I believe in the man of general wisdom and insight as minister, and not in the expert as minister. I do so for two reasons. First, I think our system produces men who have a respect for public opinion, and I believe it is urgent to preserve that respect; and, second, I do think experience has shown that most experts sacrifice the width of the horizon they can scan to intensity of gaze. It is not accident that no soldier has ever made a good secretary of war. Decisions on values ought never to be in the hands of experts.

Upon the second large category—the men and women whom we usually know as the Civil Service—a good deal of the success or failure of planning is going to turn. How are they to be chosen? Here I had better say at once that this war has made me a good deal of a heretic. First, it has convinced me that while competitive examination is, for the lower ranks, the best means of entry into the Civil Service, it has left me far more sceptical about competitive examinations as the means of entry to the highest class, the men and women who are to have the ear of the Minister. It has left me pretty dubious about our methods of promotion; responsibility comes to too many too late, the fitness of the lower ranks for promotion to the higher are quite insufficiently explored, and there is not enough ruthlessness in dismissals. I should take, with due reverence, of course, as tests of these propositions, the Treasury and the Foreign Office in the inter-war years. The attitude of the Treasury to Lord Keynes's

economic heresies was what one might have expected from the Governor of the Bank of England; it ought not to have taken a second world war to have persuaded the Treasury that Mr. Montagu Norman's private prejudices are not part of the order of nature. And the attitude of the Treasury to improvements in the technique of the Civil Service is sufficiently condemned by the failure of Whitleyism, especially after the remarkable promise of its start, on the one hand, and by the remarkable analysis in the Fifty-Sixth Report of the Select Committee on National Expenditure upon the other. The department of the Foreign Office, no doubt, still rivals that of Mr. Turveydrop in elegance, but as an interpreter of the streams of tendency abroad, especially in those places where Mr. Turveydrop has no longer his ancient prestige, that nest of public-school singing birds showed itself grimly incapable of its job; its permanent secretaries even preferred the dubious art of minor poetry to the ancient practice of significant resignation.

I infer from the Civil Service since 1919 a number of conclusions I deem important. First, I think it suggests that there is something wrong with our educational system; it does not breed, at least among those who enter the higher Civil Service, enough men with that kind of Benthamite inventiveness upon the interest of whose capital we are still living. Second, we need more appointments from the outside of men like Sir Robert Morant and Sir William Beveridge, men who have proved their capacity for ideas and have the kind of driving ambition which forces their consideration. Third, I think the higher Civil Service needs more constant contact with the public—and continuous scrutiny by Parliament by some such method as the sessional committee suggested by the Select Committee on National Expenditure. Fourth, I think there ought to be both a staff college and "refresher" courses for Civil Servants; the best of the

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lower ranks ought to have access to the first, and the continuous scrutiny of foreign experience ought to be an essential part of the second. Fifth, there ought to be far more interchangeability between Whitehall and the local government service; it would do a young official in the town planning department of the Ministry of Health a world of good to learn at first hand what a borough surveyor feels like when his housing plans are turned down because there are ominous growls from the Chancellor of the Exchequer.

There are two other remarks I should like to make in this context. The worst sin of our Civil Service is its passion for the departmental tradition, its habit of believing that the innovation from without, even from below, is almost certain to be wrong. I wish we could think that every Civil Servant is not necessarily engaged in a life career, that men and women could be brought there to undertake a particular enquiry, to carry out a special job, for a year, for three years, or even five. The refreshment of routine, the invader from outside who has his own ways of thought, these things are urgent in a vast machine like ours; there is not enough of them. Nor is there enough effort to examine the result of administration on the public. It took a generation for the Ministry of Labour to revise the old cost-of-living index. There is not enough attempt at independent assessment of administrative effort—and publicity for the assessment. The ordinary citizen is given far too little material upon which to judge the activities of the Departments, except from the Departments themselves; and the spasmodic remedy of a Royal Commission is far too occasional to be helpful. From this angle, the value of the reports of the Select Committee on National Expenditure are beyond price. But I should like to hear much more, and much more independently from those whom the shoe of administration pinches, the old-age pensioner, the

dependants of the men and women in the Forces, the victims of our outworn system of workmen's compensation, and so forth. If the shares of Messrs. Courtauld are sold below their real value in New York, the speed with which the balance is redressed by the Treasury is astonishing. Planning will only succeed when the Treasury regards the old-age pensioners as not less important than the shareholders of great public companies.

And this leads to my second point. The planners in this category we are considering are not likely to be successful in the mental and moral climate of a society pervaded, like our own, by the religion of inequality. For that has two results. It means that attention is given to the powerful and clamant interest which the humble and obscure interest cannot secure. Compare the treatment of the sugar-beet industry with that of the special areas. It means, in the second place, that the standards applied to the satisfaction of claims are always set by the customary norms of the class involved. It becomes natural to think of paying a Governor of the B.B.C. a thousand a year for a part-time job, as it becomes natural to think that Poplar is wasting the ratepayers' money when it decides upon a minimum wage of four pounds a week for the employees of the borough. You cannot run a planned society if the planners think of its members as permanently divided into first-class and third-class passengers. It is really no use denying that they think so now. It has come out in the evacuation ; it has come out in the war-time experience of education ; it has come out in even so small a point as the right to travel and the priorities involved in it. I do not suppose that this habit of thought will die out easily ; forty years after the French Revolution Tocqueville noted the importance of the distinction between *noblesse* and *bourgeoisie*. It will not be destroyed until we have a single school system, not a dual system one part of

which teaches the habit of command, and the other part the habit of obedience. But at least we can gain something by impressing upon our planners that in the planned democracy there is to be equal access to a common culture in which all citizens are entitled to share.

## 4

A planned society means that the pivotal economic controls pass from private hands to those of the community. It is not my function to discuss what this implies. I must be content to note that we must realise three things. First, there can be no planning unless the credit mechanism, the control of exports and imports, and the ownership and use of the land, are in the hands of the State. Second, we must not think that State-ownership as such, important as it is, necessarily means democratic planning. Thirdly, we must be ready to recognise that the forms of State-ownership and control are likely to be as various as the material with which they deal; the State is not likely to run its banks in the same way as it runs its army and navy.

On the first of these themes I can say nothing here save that planning means priorities, and that without these powers no government can organise priorities. On the second, I must point out three things only. First, that the government of an industry by itself is incompatible with planning; subject to Parliament, its ultimate direction must be in the hands of the Cabinet, however large be the powers and discretion entrusted to its rulers; for its place in the national plan is, inescapably, a matter for the judgment of the community. Secondly, the workers in any socialised industry are entitled to constitutional government in that industry; and this means that strong trade unionism is essential. I think myself that, as the field of socialised industry expands, the functions of the Trade Unions will be

very different from what they are to-day. I think they will be at least as much concerned with the improvement of output, with vocational education within the industry, with the proper provision for research, with requiring proof of qualification for the higher technical and administrative posts, as they are to-day with wages and hours. Then, too, I hope that the Trade Union will recognise that its own staff needs to be able to meet the directors of a socialised industry on equal terms, and this means that it will require economic, accounting, technological, perhaps medical experience, which I may perhaps be permitted to remark no British Trade Union conceives itself as requiring to-day. In the mining industry of the future, it will, I hope, be as natural for the Miners' Federation to make its own enquiries, through its own medical research bureau, into miners' silicosis, and to press for action on the basis of its results, as it is to-day natural for the Miners' Federation to urge on the Government the need for enquiry.

On three other things I may be permitted a word. As the planned society develops, there will be even more need for the organisation of consumers in bodies of which the Automobile Association is a faint foreshadowing. If, for example, the dining-service on American trains is better than the service on British trains, those who use the railways ought to have both the knowledge that this is the case and the power to bring effective pressure to bear on the direction of the railways, and, ultimately, on the Minister of Transport. So, too, with safety-devices, and with developments like air-conditioning. The wider the area of the State-power, the more important, in the interest of freedom, does it become to give the consumer of its services a specialised voice which can speak to its officials in expert terms.

The second thing I am anxious to emphasise is the immense importance of decentralisation, both territorial and

functional. Most citizens are very small people; most governments, not least in a planned community, are terrifyingly big and remote. If the citizen is not to be simply the mere recipient of orders which he cannot impress with his own personality, both the place in which he lives and the place at which he works must be small enough to prevent him being engulfed by the scale of its organisation. Unless we recognise that decentralisation is the secret of freedom, government becomes "they" instead of "we"; and that sense of aloofness is fatal to the fulfilment of personality. Do let us ceaselessly remember that planned democracy is planning for the individual citizen, and not against him. Institutional provision, consciously made, which gives him scope for the exercise of continuous initiative is as urgent in the Socialist society of to-morrow as it is in the capitalist society of to-day.

The third thing I want to note really requires a paper to itself. I think it is fundamental, if there is to be compatibility between a planned society and personal freedom, that the right freely to express one's views should be built into the very foundations of the society. Emergencies, therefore, like war, apart, or some sudden catastrophe like a plague or an earthquake, my personal freedom in the planned society will depend upon two things. First, I must be able to preach my private gospel without penalty so long as, first, I do not directly incite to disorder, and second, I can prove the truth and public relevance of my references to persons. Second, there must be at my disposal a pure supply of honest news. I think that means that publishing remains in private hands, that the press is not permitted to remain a branch of big business, nor allowed to become a Government monopoly, and that instead of a wireless monopoly, like the B.B.C., we have some half-dozen units, organised as independent entities, and competing freely with

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one another. No planners ought to be permitted the kind of wholesale power over the mind which has enabled Dr. Goebbels to play his grim part in the betrayal of civilisation. I add that we must view Dr. Goebbels as the logical outcome of Lord Northcliffe and William Randolph Hearst and Colonel McCormick of the *Chicago Tribune*. No government is fit to be entrusted with a monopoly of the news; no proprietor who manages it as the servant of big business but is risking the power of the society to know the truth when it sees it. I know that this problem is a grave one; and I cannot do more than note its profundity. But it is urgent for me to say with all the power I have, that truth is born of nonconformity, and that, be its inconveniences what they may, without the nonconformist a planned society would lack the dynamic of freedom and its planners would rapidly degenerate into tyrants. We have learned this not merely as we have watched the hideous spectacle of Hitlerism. We have learned it wherever men have had power which cannot be called to account, whether they are Henry Ford "running his business in his own way," or that Lord Londonderry whose famous letter to the shopkeepers of Durham we cannot too often recall. "Absolute power," said Lord Acton, "corrupts absolutely;" the nonconformist is the bulwark against absolute power. Let us, then, plan for him a large place in the Socialist society of to-morrow.

It is a poor map on which one's eye does not see Utopia; but the honest observer must admit that no large part of the airway to it is charted. That we shall defeat our enemies is, I think, something more now than an article of faith. But it is far from clear that the victory will be used, as it might be used, to inaugurate a world in which the Four Freedoms are part of the common man's life everywhere, or even that the working-classes of the world will know how to act together that we may use the chance that victory will give.

The forces that are ready to fight for the old order are still strong; and the evidence is abundant that, not least in this country and in America, once the threat of external danger has been removed, they will look for their directives rather to the privileges of the past than to the hopes of the future. There is even evidence that the labour leaders in all the great powers save the Soviet Union are prepared in a large degree to acquiesce in that attitude. One misses in their pronouncements that note of confidence born of the energy and the courage to take advantage of a supreme historical moment—as fateful as that great hour when Lenin wrested from chaos and defeat the chance to inaugurate a Socialist civilisation. The future is not ours for the asking. The future is ours only as we prepare with conscious determination to make it ours. And for that we need more than fine promises and great perorations, more even than good-will and a full sense of the difficulties to be overcome. We need a philosophy proportionate to our problems, and the faith to make that philosophy the urgent dynamic of our lives.

We ought, I think, to ask ourselves very soberly in this hour, whether we have that philosophy and that faith. It is easy to say that we must plan our civilisation or perish; past civilisations have perished before, and there is no reason why ours should be an exception. A movement like ours, which, twice in our lifetime, asks the youth of the world to die for a dream, cannot escape the responsibility of trying to make the dream come true; and if we cannot face that responsibility, we ought to make way for those who have the courage to do so. Planning is not a game; it is an effort to struggle through from this nightmare of chaos and agony to that cosmos where men and women can find the life of beauty in a rational system of economic and political principles. It is a profound transvaluation of all values, which goes deeper than loyalty to the personality of a leader or the shibboleths

of a party. Those who have faith in its possibilities must be prepared to risk their lives for its achievement. If they are not prepared for that risk, the promises they make, the prospects they offer, are a shameful deception of millions who have felt in the dark hour of defeat that their endurance might give promise of a brighter dawn.

Our task, therefore, is as high as any to which men and women have been called. We have to prepare the categories of a new civilisation. We have to prepare them taking full heed of the traditions we inherit, but taking full care, also, not to become the prisoners of those traditions. Above all, I suggest, we require in our situation the temper of audacity. The cautious mind will never be able to grapple with the issues of a revolutionary age. For the spirit of revolution is adventure, and adventure calls for men and women to whom creativeness is not less vital than conservation. The pioneers who built our movement did not give it life and power by prudence and accommodation. They knew that we must be ready to lose the world if we are to find it. They did not worship at the altar of success. Their democracy was not that timid temper which awaits the conversion of the last critic, the perfection of the last detail. It was experimental, innovating, capacious, largeminded. It faced great dangers without fear; and it took great risks without regret. I hope that we can go forward in their spirit; for the flame which lit up their hearts was the fire at which every servant of freedom lights the torch of his endeavour.